

HARPER'S
RETAIL BUSINESS SERIES

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RETAIL SELLING. *A Guide to the Retail Merchandise Practice.*
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and buying assistants of the United Pro-Associated
Advertising Clubs of the World.

RETAIL BUYING. *Merchandise Practice.* By
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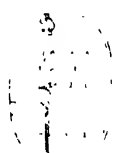
RETAIL BUYING

MODERN PRINCIPLES AND PRACTICE

BY

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EDITOR'S INTRODUCTION

THIS volume on Retail Buying provides a simple and readable explanation of what is best to-day in buying principles and practice. The author has built around his own experience as a buyer and as a student and teacher of buying, and he has drawn upon the experience and the investigations of successful merchandizers in every line of retailing. Therefore, the book will be found to cover the subject briefly and concisely but yet completely.

It is only within very recent years that such a work has been possible. In the "good old days" buying was done by "rule-of-thumb" methods. A science of buying was as unknown as a science of retailing. In fact it is only by developing buying methods along scientific lines, and by working out methods in the other divisions of retailing in the same way, that we can hope to put storekeeping on a rational basis. The department store and the chain store have been doing pioneer work along this line, and to them and to a small band of scattered retailers of other types must be given much of the credit. For it is generally known that a large part of their success is due to their development of scientific buying principles and practices.

But the difficulty has been to adapt the methods of the larger stores, and particularly those in which it seems possible to install complete systems, to the needs of the average retailer. A system is of no value if it cannot be used. Mr. Field, in the volume, has kept constantly in mind the con-

EDITOR'S INTRODUCTION

ditions under which the usual retailer works, and accordingly has advocated nothing which has not already been found practical under average conditions. Furthermore, he has adapted his discussion of each subject to the needs of the retailer in each of the usual types of retailing, and has given illustrations to show how the method has already been used successfully by each. It is not a question whether his methods will work, for they are already in use, either in his own store or in that of some other successful merchant.

The author wishes me to express his debt of gratitude to all who, during the past decade, have assisted him in his buying problems, as well as in his study and teaching of the subject; and particularly to Prof. Ralph Starr Butler, of the University of Wisconsin; Paul H. Nystrom, recently Associate Professor at the University of Minnesota; Herbert P. Sheets, manager of the Buying and Price Bureau, National Retail Hardware Association; Lew Hahn, Editor of *Women's Wear*; Harry Dougherty, Shoe Buyer, John Wanamaker's; and Earl D. Eddy, Sales-manager, Coast Products Company, St. Louis.

To these, and to many others, several of whom have read the book in manuscript, both author and editor wish to express deep obligation. It is hoped in return that the book will prove as practical and as useful as its friends anticipate, both to those actually in retail business and to students of business methods. And it should be found so, as it is entirely the experience of successful merchants.

JOHN B. SWINNEY.

NEW YORK, 1916.

THE BUYER'S CREED*

I BELIEVE in nothing--neither people nor things; for things are not always what they seem, and people never are. I either know or I don't know; and what I don't know is numbered among matters not yet discovered.

I know that every man has an ax to grind; that he has a chip on his shoulder; that he is always looking for a fight; that he is loaded for bear, and only wants the shadow of an opportunity to "shoot" himself off.

I know that every man is after me; he dogs my trail like a bloodhound; he camps on my door-step like the fates of old; he plots my ruin by day and by night; he pursues me indomitably, indefatigably, always.

I know that every man has the best proposition on earth; that his firm is an originator, while others follow; that I am the only one "too blind to see" the opportunity I am offered.

I know that I am a "tight-wad," a "bonehead," a "fossil"; I know that I am everything from

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THE BUYER'S CREED

A to Z and back again; that I am impossible, a "grouch," a "joy-killer," a "back number"; I know that I am all this and more, for I am told it daily.

Yet—

I know that I am successful; I know that my business increases year after year; that in spite of the cries and warnings of the alarmists I am steadily pushing ahead; that while others are dropping by the wayside I am approaching the goal of all of us.

I know that the best proposition on earth, according to one man's view, may be the worst in the other man's estimation, and that my ends are best served by discounting both.

I know that I am "hoeing my own row," that I am planting my own seeds, that I am doing the weeding while the crop grows, and that when the harvest is ripe I must stand ready to gather a success or a failure.

I also know that the successes I make are because of the other fellow's good judgment (?) and that the failures come from my own wilfulness (?).

I KNOW that I don't know it all.

I DON'T KNOW everything.

—From *The Decorative Furnisher*.

PART I

THE MERCHANT AS A BUYER



RETAIL BUYING

I

THE BUYER AND HIS QUALIFICATIONS

The Merchant as a Buyer. Merchandizing has been defined as the buying and selling of such goods as are needed or desired by the shopping community, and in such quantities as to take care of the needs. Merchandise is worth only what it will bring under competitive selling at the time of its sale, and therefore it must be obtained at a price which will allow a profit to the merchant. Considering the fact that a small profit with a quick turnover of the investment in merchandise will bring a bigger return than the higher profit and slower turnover, stocks must be kept down to a minimum consistent with taking care of all the usual needs of the store's customers.

Consequently good merchandizing begins with good buying. The old adage is, "Goods well bought are half sold." It is quite certain that if goods are not well bought the problem of selling increases with the carelessness or inefficiency of buying. No salesman can get enthusiastic over merchandise which he knows to be in any respect inferior, and any merchant who asks his salespeople to get full prices for inferior goods is responsible for the weakening of the moral char-

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acter of his employees. On the other hand, well-bought merchandise is a joy to every one connected with the store, from the proprietor to the delivery-boy. Each one feels that in contributing to its sale he is doing a real service to the one who purchases it. The necessity for good buying is the beginning of the merchant's obligation to the community he serves.

Merchants everywhere realize this. Since the beginning of retailing with the itinerant merchant of the Roman Empire, the one who sells has been first of all a good buyer; else he is doomed to failure before he begins. In America most country retailers have first served a long apprenticeship, during which they have obtained some little knowledge of their line of merchandise, and some idea of the principles of buying.

Those who became most proficient as buyers grew and prospered in business, but always they have retained their interest in the buying end of the business. Marshall Field, of Chicago, A. T. Stewart and Benjamin Altman, of New York, T. Eaton, of Montreal—each was first and last a good buyer.

Buying Methods Fundamental to All Retailing. It doesn't matter whether the buying is done entirely by the proprietor, as in a small store, or by a staff of a hundred or more buyers, as in a large city department store; for the methods of good buying are fundamental to a retail store of any size. The only reason it is difficult to point to many cases of small stores that are following modern merchandizing methods is due to the fact that once the small store begins to use such methods it grows into a large store with amazing rapidity. John Wanamaker developed his present methods while a small merchant; and the same is true of every other "merchant prince" to-day.

Personal Qualifications. To name the personal characteristics of the successful buyer would be to give those

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qualities which make a successful business man in any line. Ambition and self-confidence urge a man to make the most of the opportunities which he has, and help to keep him out of the rut of doing business just as he did last year and the year before that. Tact and judgment give him an ability to deal with men and to win their admiration. Loyalty and integrity give a man friends and associates who will support him in his business enterprises. But, over and above all, stands the ability to get at the facts of his particular business and the conditions under which he is carrying on that business. It is to the buyer who knows that comes a growing trade. The purpose of the remaining chapters in this volume is to show how the buyer may obtain the training necessary to his success. This first chapter also serves as an introduction to these succeeding chapters, and as an outline of topics to be discussed in detail in them.

Know the Local Needs. In order to serve any commodity successfully the buyer must know the needs of the community to be served. A progressive dry-goods buyer in a small town, realizing the need for a systematic study of the situation, started to catalogue the people on whom he might be expected to draw for trade. He listed the population not only of his own town, but that of neighboring towns in his trading territory. He learned the proportion of men, women, and children in the population of that trading territory. He knew from his own experience the buying capacity of those who came to his store, and from this he judged that of the others. His own store records gave him a knowledge of the class of goods which these people would buy. With these definite statistics compiled from the result of his survey, he was ready to set about answering the question as to how he could buy for his clientele to better advantage.

Know Your Competition. Every buyer faces the fact that he is not the only merchant in the field. His selling

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prices are largely regulated by competition. So he must buy to protect his profits. What the other stores in town are doing is just as important to him as knowing what he is doing in his own store. These are questions he must ask himself: "Is their line more complete than mine, and are they selling it profitably? Are they offering goods of equal quality at lower prices? If they are doing this profitably, why can't I? If they are quoting lower prices on certain lines, what can I offer as 'leaders' that will attract purchases and yet enable me to maintain my prices on the standard goods?" Such questions as these must be answered by every merchant before he can operate his store successfully. In fact, the majority of successful storekeepers have answered them even though they may not realize the fact.

Then there is the competition which comes from the buyer's trading territory. Competition from a distance must also be reckoned with, and the buyer must know broadly who his competitors are in this field, the character and nature of their competition, and its possible effect on him. Why is the grocery-store in the next town getting the trade which might come to him? How much business are the mail-order houses getting from his territory? What are the prices which are helping to draw money-orders through the mail? A careful study of such a condition will soon reveal to the buyer what goods are most frequently ordered from mail-order houses. The buyer who looks through the mail-order catalogue circulating in his trading territory, and carefully studies the merchandise offered, will be in a better position to make up stock orders for each one. He will then know what goods he ought to carry in order to meet this competition successfully. In fact, the whole problem of competition is based on knowing very definitely what is wanted, and on aiming to have a stock that will cover practically the entire usual wants of the community. The mail-order catalogues will

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give the buyer a very good idea of what merchandise is actually wanted by his community.

Know the Selling Prices. Local papers, circulars, window displays in other stores, and visits to them, give to the buyer a knowledge of the prices which are current in his locality. Wherever a store is carrying a similar line of goods, there the merchant will find information which will help him in his own price-setting. A hardware buyer who persistently kept himself informed in this way said: "It helps me, because I always try to give better merchandise at the same price, or the same lines my competitors offer at cheaper prices. I can't always do it, but I get the business in the long run."

Know the Buying Market. The buyer's knowledge of the buying market should be wide, specific, and detailed as possible. He should know not only the manufacturers, jobbers, manufacturers' agents, brokers, co-operative jobbers, and all the other supply channels, but he should understand as well what reliance he can put on each. Where are the highest grade qualities obtainable? Where are the cheap lines to be found? How do the various firms stand on deliveries? Which ones can be trusted for filling emergency orders? The buyer who does not know his buying field, and the current prices in it, is deficient in one of the most obvious requisites of good buying.

Know the Merchandise. A technical knowledge of the raw materials which are used in the making of his commodities and familiarity with the process of manufacture give the buyer a basis by which he may judge the finished product. To know the latest improvements in manufacturing methods and the manufacturers who are progressive enough to install them gives an almost unfailing guide for buying quality goods at cheaper prices. A jewelry buyer once remarked, "Find out which factory takes the greatest pains in choosing its raw materials, and which is at the same time most pro-

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gressive in the application of improved processes for making the goods, and then go to that company."

Again, knowing the raw materials which go into the commodity, the buyer is in a better position to watch the market intelligently. The shoe buyer keeps in touch with the market in raw hides and leather, while the grocer studies the wheat market and buys flour by carload lots when a rising market is certain. Records and reports of market conditions are to be found on the financial page of the daily papers and in financial and trade journals. In this way the buyers in every line are often able to foretell a rise in price, and to buy to advantage because of their judgment as to probable future fluctuations in the wholesale price of the manufactured commodity in which they are interested.

Know Marketing Methods. To know the most direct or advantageous methods of bringing his merchandise favorably before the public is essential to the buyer. For it must be remembered that buying and selling go hand in hand, and in nearly every store the responsibility for sales centers on the one who buys each line of goods. Just how far does it pay to advertise? What medium is best—local papers, circulars, or letters? A study of what has been used successfully by other merchants and personal experiment will offer the best guide to the determination of his policy. The question of store arrangement and merchandise display is of the greatest importance. Many sales are lost because the goods are hidden away in stock-rooms and on shelves, or because they are piled carelessly upon the counters, and in a way to show them at their worst rather than best advantage.

Know the Best System of Store Records. It goes without saying that the buyer who is systematic about his business can buy more intelligently. A thorough though simple system of invoicing, stock-keeping, inventory, and record of demands is always essential. The buyer who devises and

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then uses a system that is capable of expanding with the business is laying his foundation for future progress. Frequently buyers figure lines as profitable when they really are not. A buyer of men's clothing worked up a mail-order business in the surrounding territory, and at the close of the season he was pleased to find that only suits of a certain number remained out of an entire line. He felt he had made good profits, even though it should prove necessary to sell the remaining fifteen suits at a loss. When he figured out exactly the total expense, taking into consideration the cost of service, and of storage, and all elements entering into the transaction, he found that the profit on the suits sold during the season would not cover the actual total expenses. Many retailers are in the same predicament. They figure they have made good profits and yet they are puzzled at their inability to find them. A thorough study of the business always shows that the system of accounting and cost-finding was faulty, and that the profits were fictitious. It is one of the first duties of the buyer to see that the record system of the store offers a complete record for his guidance in merchandizing.

The Shoe Dealer's Discovery. This point cannot be illustrated better than by the experience of a certain shoe-dealer in a small city. He had just finished a three weeks' successful bargain sale, and was sitting at his desk looking over a large pile of bills and statements. He knew that other statements, including one from the local newspapers for use of large advertising space, would probably be in that morning's mail, as well as bills for outdoor posters and special window signs. As the sale had been a lively one, and the bulk of the store's odds and ends had been disposed of at a trifle above original invoice cost, he had no special misgivings at the prospect of receiving and paying the bills for the special advertising. He had a good bank account. He handled well-known reliable brands

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of shoes, and his stores enjoyed a steady patronage throughout the year. But as he went over his bills, down toward the bottom of the pile, he came to a few things he had not expected. One was a note from his student agent at the college four miles from town, asking for the \$4.50 commission for selling nine pairs of shoes to fellow-undergraduates. A printed notice reminded him politely that the gas bill for his store was overdue. A letter from a distant large city informed him that for twenty dollars per week the writer would accept the position of window-trimmer and would wait on customers "at odd moments." The last thing in this merchant's pile of Monday morning mail was a forgotten bill of fifty-eight dollars for refinishing the settees and providing new fitting-stools for the store.

He studied the window-trimmer's letter and the fifty-eight-dollar statement for a few moments, then took another glance at the other bills and the manufacturer's invoice of goods on the way. He made a few hesitating figures on a scratch-block, then clasped his hands behind his head and began to think out loud. "How much does it cost me to do business, anyway? What do I really get out of it? What per cent. do I make on my investments? Where do I stand? I wonder how last month's expense compares with a year ago? What were my sales last month? That bargain sale must have helped." He then asked the cashier, "What have you got in the way of records that you can refer to quickly and tell me exactly what our sales and expenses were last month and a year ago last month?" The reply was: "We have the total we paid out last month, and you know we have all the slips for the sales, but we don't add them up. It will be a pretty big job to go through last year's books and all that big bunch of sales-slips down-stairs and figure up the expenses and sales. What is it you want this for? Is anything wrong? We are practically up-to-date on our

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bills and collections, and the store bank account is as much as usual." "No, nothing is wrong—so far as you're concerned." With which remark the shoe-merchant resumed his train of thought, and continued it for a good share of the forenoon. "What I, or any other shoe-dealer who expects to be successful, ought to know," he said to himself, "is how much I am paying out a month for all expenses, what the different items are, what I actually net from the sale of goods, what percentage of gross and net profit I make— and then compare each month's showing for every different item. How do I know what effect a good or poorly advertised bargain sale has on my season's business? How do I know how much shoe polish and laces I can afford to give away? How do I know whether we waste electricity? How do I know whether I can afford 10 or 12 per cent. commission to my college agent, or twenty dollars a week to a window-trimmer? Me for the big find-out!"

The Shoe Dealer's Investigation and the Result. Whereupon this merchant proceeded to make life miserable for his cashier all the rest of that day and a part of the next, in digging up back invoices, jobbing price-lists, bills, and statements of all kinds, records of sales, commissions, discounts, rebates, and other data which had been slumbering, unused, in the store's filing-cabinet. He classified his stock-purchases, sales, and all expenses for store maintenance. He reduced these to a simple monthly record-sheet which could be filled out in about an hour's time at the end of each month. He investigated his past operating expenditures sufficiently to determine a normal figure for each kind of expense each month, and thus obtained an accurate basis of comparison with actual future expenses. His new system enabled him to determine exactly what grades of goods he should push, and to watch and prevent unnecessary and unprofitable operating expenses. It showed him at a glance

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what his total investment was and what net profit he was making from month to month. It developed him in fifteen months from an average easy-going dealer into one of the keenest, most successful retail shoe-merchants in his State. And he did it all unaided. To-day he could get from any one of various sources at an expense of a few cents a complete system of accounting and cost-finding for his store, with complete suggestions for its installation.

Know General Business Conditions. A knowledge of market conditions outside of his own line will indicate to the buyer in a measure, at least, what sort of a year is ahead. An ability to intelligently analyze the financial page of a standard daily paper or of a financial journal will help him to forecast conditions and know how his own interests will be affected. Rates of exchange, reports of clearing-houses, rates of interest, the movements of such commodities as iron, lumber, steel, the crops of the country, whether good or bad, all show the condition of business in general. Special attention to those industries on which the local market depends is of the utmost importance. The manufacturing enterprises of his community may be directly affected by these larger movements, and the buying capacity of his people at once shows the effect.

Know Men. Because much of a buyer's success is in proportion to his knowledge of conditions within and without his store, he should appreciate from the first the real advantage to him in cultivating an ability to "mix." Upon his knowledge of human nature will depend largely his ability to handle his employees and to meet salesmen with whom he is matching wits every day. But still more important is the buyer's need to keep in close touch with the customers of his store. From such association he learns of their wants, their tastes, their capacity for purchasing and for paying for the things he has to offer.

Limited
retailers

National Retail Hardware Association

Sub Members

by giving volume. Gross quantity should entitle
tain items are purchased in small quantities.

must sliding scale of prices necessary because of
pt. Payment establishes prestige with sellers and puts
which may be passed around.

in his discounts 2%-10-30 equals 36% annually; a sav-
be necessary. Special arrangements should be made

tive concessions because of his failure to keep prices

and perhaps many retailers are expecting unnecessary ser-
vice expense by co-operating with jobber to eliminate much
en possible to avoid unnecessary visits of salesmen—and in-
tage of the saving.

vanities whenever feasible, to avoid unnecessary handling
nly, clearly specifying wants, so there will be no misun-
ion on part of seller.

derstanding with seller that mail orders shall have best
ns are upon a basis of mutual confidence and fair dealing,
of an attempt to take advantage of this relationship will
business.



PART II
MERCHANDISE

II

SOURCES OF MERCHANDISE

The Plan of Distribution. The process of distributing goods is like a chain, with the manufacturer or farmer at one end and the consumer at the other. The intervening links are the middlemen—wholesalers and retailers. The original chain of distribution necessitated that the merchandise pass through the whole channel of trade—*i.e.*, from manufacturer, commission merchant, jobber, wholesaler, retailer to consumer. But the rising costs of merchandise, together with growing intensity of competition, has had a tendency to eliminate some of the middlemen. Advertising has also been a leading factor in drawing the manufacturer and the retailer closer together.

Manufacturers. The manufacturer's function is to alter the form of the commodities bought and sold so as to prepare them for consumption. He buys raw material and makes up the commodity, or he purchases articles already manufactured by others and assembles them into new forms.

Theoretically the manufacturer should be able to sell his goods directly to the retailer at a lower price than through jobbers. At first glance it would seem that the jobber's work in handling the goods is simply an unnecessary extra step in the chain of distribution. In the case of large department stores and other large buyers, this is undoubtedly true. Such stores buy direct of manufacturers at prices as low as

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the jobber is able to obtain. It should be remembered, however, that in such instances both the manufacturer and the retailer incur considerable extra expense resulting from the elimination of the jobber and the jobber's service. In the case of the smaller retailer who needs goods in small lots, the jobber service is greater and the jobber is more necessary. If the manufacturer must take care of such retailers, it is certain he must increase his prices correspondingly to offset the added expense of selling to them. Therefore, smaller accounts are not sought by manufacturers. In fact, those manufacturers who are known to sell direct to the retailer do so only on condition that the retailer buy a certain specified quantity which enables the manufacturer to handle profitably the account.

Jobber. To-day the terms jobber and wholesaler are practically synonymous. Originally, the jobber made a practice of dealing in jobs and broken lots of merchandise, while the wholesaler bought fresh lines in large quantities, and sold them in suitable quantities to meet the needs of the retailer or general merchant. We shall adopt the word jobber because it is shorter and more commonly used.

The jobber, as we have seen, is one of the links in the chain of distribution. He buys merchandise, usually in large quantities, and at a gross profit of from 3 to 15 per cent., sometimes reaching 20 per cent., is enabled to resell to the dealer in smaller quantities and as desired. The jobber thus stands between the manufacturer and the retailer. He is able to gather together thousands of varied commodities, made by hundreds of different manufacturers, place the merchandise within easy reach of the retailer, parcelling it out to him as needed. In doing so, he performs a real function for both the manufacturer and the retailer. Even though some of the large manufacturing interests do distribute their products direct to the retailer, it has been

SOURCES OF MERCHANDISE

necessary for them to establish and maintain warehouses in different localities for the purpose of serving the retailer much in the same way as the jobbers otherwise would.

The retailer, outside of the larger city department stores, could not survive without the aid of the jobber. Imagine the corner grocery, with its five hundred or more kinds of merchandise in stock, attempting to buy direct from the manufacturer. At least fifty manufacturers are represented in the average stock, and most of the merchandise comes in case lots, ranging from two dozen to a gross each. This retailer would have enough capital to purchase only a small number of the items he finds it necessary to carry in order to do business. Buying from the jobber makes it possible for this corner grocer, as well as for the larger retailer, to carry a well-assorted stock of merchandise.

Manufacturing Jobber. Like the manufacturer, there are many jobbers who are in reality manufacturers, such as Lehn & Fink, Simmons Hardware Company, etc. This class of jobbers usually began in a small way by backing manufacturing plants with limited outputs, and agreeing to take over their entire output. Thousands of grocery jobbers own canneries throughout the fruit and vegetable sections, and their own brands are put up according to their specifications so as to meet the wants of their own particular trade.

The retailer, in doing business with them, deals just as he would with the manufacturer. He must take the merchandise as it is; that is, no changes are possible in either style or quality. Many of the advantages to be gained by dealing directly with a full-fledged manufacturer can be secured by trading with a manufacturing jobber. If full case lots are not purchased, the retailer can have this manufacturing jobber substitute other lines from his regular jobbing stock to make up a full shipment.

The Semi-Jobber. Many manufacturers have different

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price-lists for the retailer and the jobber, instead of using the quantity method of gauging the price. Consequently, in order to get quantity prices, many of the big buyers of merchandise themselves turn jobber and make a practice of selling merchandise to smaller dealers. Thus they perform the functions of both retailer and jobber, at a gross profit of from 3 to 15 per cent. on the jobbing end of the business. A Mississippi retailer found buying under such conditions quite advantageous. He was able to save eighteen hundred dollars during the year, and the system did not necessitate the purchasing of larger quantities than previously. As a source of supply for most retailers, however, semi-jobbing affords only a limited field because this jobber's retailing unit will be in direct competition with retailers buying from him.

Commission Merchant. The commission merchant is found in every business community of any size. He is an independent link in the marketing chain. He usually represents the manufacturer in selling to the jobber and large retailers, with the exception of those commission merchants in the produce business. He is only a minor factor in the distributive scheme, so far as the average retailer is concerned, and an explanation of his services does not for this reason require much space here. His services usually end with each particular transaction. It is well, however, for the careful buyer to know about commission merchants and what service they can be to him.

The Buying Exchange. There is another distributive agency which has done much toward giving the retailer some of the benefits from buying direct from the manufacturer, and that is the buying exchange. Such an exchange secures a number of retail clients, and through its single management buys direct from the sources of supply and then distributes a portion of the purchase among the members of

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the exchange. Through the services of the commission-man, or exchange-manager, as he is more often called, small grocery-stores may buy merchandise equally as cheap as many of the wholesale establishments, and cheaper than many of their larger competitors. In a single week ten carloads of flour were shipped into a certain city in a single shipment, to be divided among a number of retailers. Each one of a number of grocers paid quantity prices and was able to buy as little flour as he thought he could well handle.

In the larger cities buying exchanges sell all kinds of staple domestics and commodities in the dry-goods line. The leading merchant in one Southern city acts as an exchange-manager for many of his smaller competitors. He makes a practice of buying for all of the other merchants cotton thread and other commodities, where a quantity must be purchased in order to receive the extra discounts and bonuses. Thus they all receive jobber's discounts on the merchandise bought in this way. The exchange, or one doing this co-operative buying, charges a fee, but, nevertheless, this is much less than the discount which the jobber secures.

Salesmen. Prior to the Civil War, merchants found it necessary to visit markets in New Orleans, Cincinnati, St. Louis, Chicago, or New York City once or twice per year, in order to buy merchandise to carry them through the following six months or a full year. Each manufacturing concern or jobber, as the case might be, employed scouts who made a practice of hanging around the hotels with the idea of enticing the buyer to visit their employers' places of business.

Some of the more progressive manufacturers and jobbers soon discovered that these representatives could do a very profitable business by taking sample lines of the merchandise sold to the buyer in his store. This convenient method of

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buying made it unnecessary for many of the merchants to visit the market and lay in large stocks of merchandise. The traveling-man became the connecting link between the manufacturers and the merchant, and as a result practically every house of any size placed traveling-men on the road.

Business conditions changed. Merchandise began to be sold on a smaller margin of profit because the wholesaler and manufacturer, who had previously taken long chances with merchants, now found it possible to do business with shorter credits and on much smaller accounts. Where they had previously sold a few accounts fairly large bills of merchandise, they found it possible to sell many accounts small bills of merchandise. Merchants began taking advantage of discounts because they, too, found the newer method of doing business more profitable.

The traveling-man naturally becomes well acquainted with the merchant on whom he calls, his methods, and his business. He can well judge the financial standing, together with the merchant's ability to do a successful business, and can sell him accordingly. The traveling-man has come to be regarded as the merchant's best friend, although many merchants fail even now to realize the fact. He visits successful stores all over the country, picking up ideas which would be of benefit to the average retailer.

Illustrations of the type of merchant who overlooks the value of the traveling-man's friendship are common. A salesman told the writer why he disliked to visit a certain store in a certain town. The merchant was of the type who never fails to impress the salesman with the importance of his own position. Frequently it was necessary for the salesman to stand around two-thirds of the day before he was given an interview, and sometimes he was then told that the merchant was not ready to buy that day. The salesman, having wasted two days before he had the chance

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to show his merchandise, quoted higher prices in order that he might offer a sufficient reduction to meet the merchant's demands. In other words, this merchant bought discounts instead of merchandise.

The traveling-man of experience is a valued help to the merchant. He has the merchant's interest at heart because he expects to travel over the same route for many years to come. He makes an estimate of what merchandise the store can use and helps the merchant accordingly. A traveling-man doing business with a new retailer in a small Wisconsin town found he could readily sell one to six dozen of each number of his entire line. As a matter of good judgment, the retailer could handle in all probability, within a reasonable period of time, one-twelfth to one-half dozen only. To accept such an order would have been suicidal for the salesman. So he persuaded the merchant to give him a sample order, trying out the merchandise before placing a larger one. It so happened the merchandise did not sell readily, and as a result the salesman made a lifetime friend of the merchant.

An intelligent buyer should, of course, be open to conviction. Each salesman who calls should be seen at the earliest possible moment, and treated as courteously as possible. Many buyers say they have found it profitable to look at every line brought to them, and that they become in that way more familiar with the poor lines, as well as more expert in picking good ones.

The retailer who does not visit the market frequently has a splendid opportunity of keeping his stock clean and up to date through the visits of salesmen. The salesman usually makes from four trips up per year, according to the line and the size of the territory. On each of his trips he has the newest and best selling merchandise his house is capable of producing. The merchant is able to remain in his store,

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attend to business every day, and make selections of the needed merchandise. Even the biggest city buyers make it a practice to see all salesmen. They are, however, forced to make appointments in advance.

Mailway. Certain manufacturers have begun a systematic method of introducing their merchandise through the mails. They mail samples of their product, together with catalogue and price-list, to merchants all over the country. A bill is mailed for the commodity, and if the merchant does not care to try out the line he is at liberty to return it. The manufacturers who make use of this system maintain that it saves the retailer 15 to 25 per cent., and gives the buyer new commodities much more quickly than by the old way. They urge further that it covers the country for them in the same length of time required for the salesman to visit one city.

Ready-to-wear merchants are beginning to realize that they can add considerably to their profit and increase their business by making a practice of writing various manufacturers for samples of their products. The garment manufacturers are beginning to advertise their new and attractive garments, laying special stress on the offer of "Samples mailed on request." This enables the retailer to compare qualities and prices before placing an order. What is being done in this line may be done in almost any other. Although some manufacturers are much opposed to this plan, it could be forced on the manufacturer quite generally should the retailer insist. The plan has much to recommend it, and is, at least, worth a tryout. The retailer, however, should be careful, in making purchases by mail, to see that he gets the very best prices obtainable. A number of hardware-dealers recently found out, through the efforts of their national association, that their mail orders did not receive the same prices which their orders given to salesmen did. There was a

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discrepancy ranging from 2 to 90 per cent. in the difference between prices charged on mail orders and on those given the salesmen.

Bankrupt Sales and Close-Outs. The buying of job lots and "close-outs" is an important question. Every day we learn of some buyer who has won riches and success through the system. Years ago this no doubt was true. The older traveling-men, out of Chicago and New York, tell of a successful merchant who was always in the market for jobs. His one weakness was that of buying all the "jobs" he could get his hands on and, strange to say, he usually sold all he bought. As soon as he reached the market and registered he was besieged with salesmen who had "jobs" to sell. He took long chances on every buy and generally succeeded in getting rid of what he bought.

Some buyers have the proper outlet for any kind of merchandise they care to buy. They cater to the cheap trade of the town, and they are willing to buy anything that they can purchase at a bargain. Even in such places the chances are that some of the merchandise will not move at any price.

There are many assortments of merchandise which should not be called "jobs." Sometimes a house will have a few dozen of a certain commodity to be closed out. The merchandise is in perfect condition, fresh and crisp as it ever was. The mere fact that it is no longer a regular number does not lessen its value from the buyer's viewpoint. Such offerings are not taken up with every house. Salesmen save the good propositions of this kind for their better customers, and an outsider seldom gets the opportunity to purchase.

Stores catering to the better classes of trade find it more profitable to stock the best quality of merchandise which can be bought. They have a reputation to uphold and for that reason they must give the customer the best. "Jobs" and "close-outs" seldom have the clean appearance

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of regular stock, and in buying them the store is taking a chance. The element of style is also an important essential in the dry-goods field, and if the merchandise to be closed out is new, the jobbers are going to reorder on it. After all, cost and value are two different things. The merchandise may be worth much more than asked for it, but if it does not possess the necessary style or selling appeal its value is doubtful.

Visiting the Market. In any lines of business visiting the market is a great help, and in some lines it is a necessity. Many kinds of merchandise are to be had in New York City, for example, which cannot be bought anywhere else. Then again, the change during a brief visit allows the merchant to see what is being done in other stores; it awakens him to the opportunities he may be allowing to slip by, and gives him an opportunity to pick up new ideas which will help him in his business.

The time to visit market is governed to a great extent by the buyer's location with reference to it. The ideal time in most lines is during February and August. During these periods the hotels are filled with buyers from all over the world. The manufacturers and the jobbers have a better and a more complete line of samples to show, and their facilities for showing are greater.

The buyer, on reaching New York City, realizes that he is there to shop—not to have a good time. If he shops efficiently during the day, does his routine record work, attends to his correspondence, he finds himself pretty fully occupied. Buying requires a keen mind, quick thought, ability to judge merchandise, together with the knowledge of where to find it.

The Buying Syndicate. Large city stores have found it profitable to maintain New York offices. They employ a staff of buyers who spend their entire time shopping and

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buying merchandise. Large stores not quite able to maintain their own buying offices generally find that they can advantageously make use of a buying syndicate. Such an organization usually represents from twenty to fifty various stores, scattered over the United States, and its buyers scour the market for bargains to be sent on to the various stores.

The advisability of the medium-sized and smaller stores maintaining a New York connection depends upon several conditions. First, the demand and use for such a connection. The proprietor of a small store in southern Tennessee, doing approximately a sixty-thousand-dollar business in general dry-goods, imagined that he required the services of a market connection. A six-hundred-dollar contract was signed. Outside of a weekly circular letter, telling what was being done in the New York City stores, he derived no benefit from the arrangement. The information service performed by the syndicate's representatives could have been obtained with equal satisfaction by mail and through the trade associations and the trade press. The syndicate's representative secured the contract by explaining the great saving to be made in buying staples, hooks and eyes, featherbone, and other notions through the medium of his organization. The same saving, however, could have been made by placing quantity orders with the manufacturers sufficient to warrant the store's being placed on the jobbing-list. Afterward the merchandise could have been ordered in the quantities needed.

Second, the honesty of the agency. It has been said that some of the so-called "buying syndicates" make a practice of soliciting a commission from the merchant for buying the goods and at the same time receive a commission from the manufacturer for selling. This, of course, is not the case with all. But there are opportunities for such practices with small chance of detection by the average

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retailer. Third, the competency of the agency. Some of the so-called New York office buyers are little more than clerks or messenger-boys. Many have no more ability or fitness for the work than the people behind the merchant's counters at home. Other offices employ high-priced, efficient men who know the market.

Assuming that a store needs such connection, that the business justifies it, and that an efficient agency has been found, a season's trial should prove its worth. Such an agency, if it knows its business, can be of great assistance to a buyer when in market and at home. If the buying syndicate includes real buyers, allow them to use their judgment during the season, and abide by the results of their work at the end of the period.

Limiting Sources of Supply. Each manufacturer and jobber naturally advocates buying all the merchandise possible from a single manufacturer. Their argument is, "Make your account worth while and we will give you inside prices, long credit, and extend other favors." It is true that scattering purchases from dozens of houses tend to make an account less valuable to each of them. But the advisability of dividing the business depends upon the amount of the store's cash capital and the amount of business done by it.

A merchant with a large business and plenty of cash capital can afford to buy wherever he pleases and in whatever amounts he pleases. It is not necessary that he ask favors of any one, and every manufacturer or jobber seeks his account. To get this account they are frequently willing to make inside prices and bid for the business.

The smaller merchant, with a limited amount of cash, is not as fortunate as his more prosperous brother. Should he confine his business to one jobber, there is some chance that the jobber may not live up to his part of the contract.

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On the other hand, too many sources of merchandise are equally detrimental for the merchant with limited business and small capital. The smaller the business the greater necessity of confining the business to a few good houses. It is said that the manufacturers and jobbers watch a small retailer who makes a practice of buying from many houses. Should a retailer, following this practice, get into financial trouble, there is not as much chance of help because among many creditors it is more difficult to get an agreement to extend time.

Consequently the smaller merchant's chances are better if he selects a few high-class, reputable houses with which to do business. He will have no trouble getting credit if he needs it. When the opportunity presents itself to make good buys from other houses, other than those selected, there can be no particular harm in taking advantage of them.

In buying merchandise, the original cost is not the only consideration. The retailer can sometimes get better quotations from a distant market, but after adding express or freight charges and allowing for the disadvantages of delays in shipment, the near-by center often has the advantage. In this case the merchandise is received promptly and better service is given. Rush orders may be filled on short notice, and exchanges may be effected with greater ease. Therefore, every retailer should strive to make some good connection with a jobbing-house, or a manufacturer in a near-by market, as well as with the manufacturer or jobber in the more distant market where the merchandise may be bought for the lower price.

Buying of Friends. A well-known retail store in a small town, using approximately five thousand dollars in furs each year, made a practice of buying from one house. The buyers would not take the time to investigate prices of other fur-

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riers. The salesman who sold the line purchased made a practice of coming into the town on Sunday, opening up his trunks in the store, and virtually selecting the bill for the buyers. Because of friendship this firm purchased their furs regardless of the price. This condition existed for ten years, and during that time the department lost money on its fur business. First, because the merchandise was not bought right, and, second, because too much was bought to dispose of during the season.

Many keen buyers dislike doing business with "friends." From their viewpoint, it is harder to turn the "friend" down than the ordinary salesman. They should, of course, have no scruples on this score, because friendship only begins when prices are equal. In buying, every man is in for himself and his own interests must come first. Therefore, buy for quality and price, and keep friendship out of consideration until after business hours.



III

TYPES OF MERCHANDISE

Branded Merchandise. Branded or nationally advertised merchandise is that for which its maker or distributor creates a demand for the retailer. Advertising campaigns are launched in magazines, newspapers, street-car posters, billboards, and other mediums in order to familiarize the public with the brand and to induce the consumer to believe that this particular brand is best suited to his needs. Some manufacturers have succeeded so well that their trade-mark is known to every one and the name of the product is at the tip of every consumer's tongue. The retailer is the medium through which the wants of the public are satisfied.

Quality. A branded commodity, through the aid and guarantee of a store, the co-operation of the salespeople, together with clever advertising, when established, wins the confidence of the public. The consumer tries the commodity, begins to have confidence in it, and is satisfied to try it again. The general belief is that it possesses good qualities and is the best that money can buy. Advertising has made the label a sign of quality. A stranger in a distant city may make purchases from stores of unknown reputation with perfect assurance that he is getting his money's worth. The quality must be upheld if the confidence of the public is to be preserved. Yet it must be conceded that there are many bulk lines and unadvertised lines which are equally as high in

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quality as the advertised products. The merchant should be capable of judging the quality as well as the other factors affecting his decision as to branded *vs.* unbranded merchandise, for quality alone cannot be the determining factor.

Value of the Manufacturer's Name. Retailers handling branded lines do so because of the ready sale found for them, and in some cases because of competition. Seldom are such lines handled for the large profits made through the sale. *Women's Wear* recently published the following statement, which emphasizes this point:

That 87.6 per cent. of the people buy the advertised article in preference to the unadvertised, all things being equal, is the remarkable discovery made by Raymond B. Callahan in an investigation into the effect of price-cutting on trade-marked grocery articles in Greater New York. The results of Mr. Callahan's investigation are being sent out, in part, in a pamphlet issued by the National Trade Association. In investigating the advertising phase of the matter, Mr. Callahan offered the following question:

Question 1—"When you go to a grocery-store and find two articles of similar nature for sale at the same price, one of which is a nationally advertised article and the other an unadvertised article, which article do you purchase?"

The answer:

87.6 per cent. buy the advertised article
3.6 per cent. buy the unadvertised article
8.8 per cent. non-committal

100 per cent. total

Conclusions:

The condition stated in this question is one in which all things are equal on each side, except that one article is advertised and the other article is not advertised.

The startling thing about the replies to this question is the manner in which so large a percentage of the women admit that they are influenced in their purchasing by the advertising done by the manufacturer.

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The replies are a proof of the claim made by the manufacturers that their advertising creates a good-will value for their trade-mark which is of great financial worth. They prove that manufacturers really have "good-will" which might be injured.

The remaining questions were framed to determine primarily whether this "good-will value," now proved to exist, is really injured, increased, or not affected at all by the retailer's act of selling the trade-marked article at a price below the so-called "standard price."

Question 2—"When you find two articles of similar nature for sale at different prices, the unadvertised article being priced lower than the advertised article, which do you buy?"

The answers:

60.6 per cent.	buy the advertised article
24.2 per cent.	buy the unadvertised article
15.2 per cent.	non-committal

100 per cent. total

Conclusions:

In Question 1 both articles were on an even basis, except that one of them had advertising in its favor. In this second question both articles are on an even basis, except that one has advertising in its favor and the other has lower price in its favor.

In the first question we determined the great power of advertising to sway the purchase in favor of an article which otherwise has no advantage over a competing article. In the present question we are enabled to determine the relative pulling power of "advertising" and of "lower price" as factors in competition.

Under the conditions of the first question 87.6 per cent., or approximately 90 per cent., of the women purchased the advertised article. Under the conditions of this second question the percentage of women who purchased the advertised article drops to 60.6 per cent. This is a difference of about 30 per cent. of the entire number of purchasers, and is a loss of approximately one-third of the purchasers which the advertised article had under the conditions of Question 1. In other words, to approximately one-third of the women the "appeal of price" is greater than the "appeal of advertising"; and to approximately two-thirds of the women the "appeal of advertising" is stronger than the "appeal of price."

This would seem to indicate that in so far as two-thirds of the

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women are concerned, the manufacturer need not fear attempts on the part of the retailer to substitute "private brands" of his own at a cheaper price, and that the ratio of the effect of advertising to that of price-cutting is two to one in favor of advertising.

The opponents of advertised lines argue that the retailer is responsible for the public's favoring the branded commodities. The retailer advertises and pushes these lines because they are easier to sell. They supposedly require less effort on the part of the salespeople. "Any girl can sell a branded commodity," says a well-established druggist, "when she hasn't brains enough to do anything else." The retailer is known to the trade and his name should be worth many times that of the manufacturer in that immediate community. Therefore, why should not he, the retailer, see that the customer buys the independent lines, the lines producing the best profit, on his recommendation? Should the merchandise go wrong the retailer (not the manufacturer) makes good the loss to the customer. Three out of five times the retailer can induce the customer to try a special brand of coffee. Should the coffee fail to come up to expectation it can be returned. How do the toilet-goods departments introduce the new odors in perfumes? The demonstrator permits the customers to smell them, thus creating a desire. Why can't it be done in most other lines?

Manufacturer's Aids. Manufacturers and jobbers of branded commodities insist that they not only create a demand for the retailer, but that they are continually furnishing him with selling aids. Various kinds of posters, form-letters, booklets, copy for advertising, cuts, electros, and other advertising matter are sent out to assist the retailer in building up his business.

While it is perfectly true that this is done, much of the copy sent out is ineffective, lacking character or individuality from the retailer's viewpoint. And the retailer feels that

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he is paying for it all by paying a trifle more for the merchandise.

Difference in Profits. A well-known line of bedroom slippers may be purchased, delivered, put in stock for sale, and marked to show a profit of 27 per cent. A slipper of equal sale value, unadvertised, may be purchased and marked to show a profit of 36 per cent. This is true in comparing many branded lines with the unadvertised. The profit, in some cases, is even smaller than given in this example. The advocates of branded lines insist that the more frequent turnover will more than offset the small profit; they are also of the opinion that less time is required to make the sale. The argument, of course, is that the customer comes into the store to make the purchase of the branded commodity, and no time is required for the salesperson to make the sale.

There is no doubt of the truth of this argument in many cases, as with those of the Ingersoll watch or the Big Ben alarm clock. Yet in many lines, like women's ready-to-wear, the statement is of doubtful accuracy. For instance, an actual test of this principle by a large Wisconsin store resulted in the dropping of the branded line. During the entire time the advertised commodity was carried in stock no customer came into the store to ask for this special brand. Time was always required to create a desire for the specific article, and any other brand could have been sold in the same length of time. Usually the customer would select, on being shown both brands by the salesman, the unadvertised—the salesman, of course, forgetting to mention the brands. In advertising the lines no play was made on the name of the manufacturer.

Few women make up their mind to purchase a certain brand before entering the store. Although few men like to shop around, they frequently purchase other lines than they

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started out to buy. A man, as a rule, however, is more easily persuaded by advertising to buy a certain brand. The woman likes to shop and she goes from one place to another comparing values before she makes a purchase. Nineteen out of twenty high-class store men will admit that they have still to see a woman come into the store for a specific branded article in women's wear, asking for color, size, and make payment, ordering the merchandise wrapped. In most lines of business sales of twenty-five cents and over must be created by the salesperson before they are made. This may not be true in cases of special sales, however.

Stock Turns. In carrying branded merchandise the retailer is frequently of the opinion that because a line is advertised more turns are made. For this reason he educates his salespeople to believe in branded lines, and they, in turn, put all their efforts on these lines. In other words, the salespeople frequently create the high value of branded merchandise in the minds of the public. A toilet-goods girl, while serving a customer who was comparing an advertised face-cream with one not so well known, was overheard remarking: "I would suggest that you take Blank's. It is well known and we sell more of it. Besides, it is advertised in all the leading magazines, and it must surely possess quality." The advertised cream was sold and the store netted seven cents on the sale, while the sale of the other, in this case equally as good, would have netted a profit of twelve and one-half cents. Both had the guarantee of the store behind them, and either could have been sold in the same length of time.

Branded lines may be turned more quickly when reduced in price. Most customers possess a fondness for a bargain. An advertised commodity, regularly sold at fifty cents, may be sold more readily when reduced to forty-three cents. Many people will come in to buy, even though they are not

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in need of the article. Some stores make leaders of such lines in order that they may bring customers into their stores. This, of course, reduces the margin of profit still further, but it brings publicity and more patrons are made for the store. The retailer is more capable of judging what the selling price of a commodity should be. He understands what the merchandise costs, the costs of doing business, together with the knowledge of what the prospective customer will pay.

Stocks may be turned in any line, and with any kind of merchandise, if the right effort is put into the work. The salespeople must be taught to believe in the merchandise, and the store must stand behind it after it is sold. Concentrated effort, with the right kind of selling-talk, will cause the stock to move rapidly.

Conclusion. Many merchants have begun careful investigation of their stores with the idea of eliminating some of the branded lines and replacing them with merchandise of equal value or better line upon which a better profit may be made. Some brands, of course, cannot be eliminated without the loss of business. At the same time other merchants have done just the opposite, by throwing out all unbranded merchandise. It is still a mooted question.

In the buying of merchandise it is necessary that the retailer place his customer and himself before the manufacturer. Value must be found for the money. Merchandise must be offered which will bring friends and customers to the store and money for the merchant. Instead of buying advertising alone, as is sometimes done, good, honest merchandise must be bought. The retailer must push this merchandise and stand behind it. He is building up his own business and not the business of the trade-mark owner. Why not compare the branded merchandise with the non-advertised and purchase the best quality for the least money?

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Buy merchandise which will enable the customer to get the most for his money, and train the salespeople to educate the customer into buying this class. In some lines this will be found in nationally branded goods and in others in unbranded goods. It is the buyer's job to know which to select.

Private Brands. Closely associated with the nationally advertised merchandise is the question of private brands. Frequently it is found that retailers who are antagonistic toward nationally advertised merchandise favor private brands. The label of the private branded commodity may mean nothing or it may mean a great deal, depending entirely upon the character of the house selling the merchandise. It represents the house, its policy, and the merchandise. In other words, it is an absolute guarantee of the quality, backed by the owner of the brand, the retailer. A reputable store can well afford to have private brands and to push them; but private brands to the store of questionable reputation would be a losing venture.

Novelty Brands. The retailer has found a method of educating the public to buy higher priced merchandise by carrying a stock of novelties. Manufacturers of men's collars, for example, have found that they can do a profitable business by manufacturing collars of the novelty type, satin stripes or piqués, which may be retailed at twenty-five, thirty-five, and fifty cents each. There are men who will purchase this class of merchandise and will be glad of the opportunity to do so. They add distinction to the store and tone to the stocks. This class of merchandise, as a whole, however, should be bought in small quantities only. As it is subject to sudden style changes, special care must be taken to see that no more merchandise is purchased than can be quickly turned. It should be purchased as soon as it appears on the market, placed in stock, and pushed while it

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is new. The "live-wire" retailer makes a practice of scouring the market for these new things, and reaps the benefit of his knowledge before the novelty wears off.

A novelty, or a specialty, as it is sometimes called, may be one of two kinds: either an article which will be demanded by the purchasing public because of style, etc., or one for which the demand will necessarily have to be created by the retailer. Regardless of whether the commodity be an electric chafing-dish, a bronze vase, a piece of cut glass, a brand of fancy cheese, or a waist-pin, the buying is done in the same way. In the case of style novelties the buying is determined by study of the trade papers, fashion magazines, and other publications. The amount to be bought is gauged by the output of the store, together with the idea of how well the commodity will sell. When it comes to novelties for which a demand must be created, the buyer must rely upon his own judgment as to whether or not he can create the necessary demand. Of course, in either case a chance is being taken, but the experienced buyer can estimate fairly accurately the possibilities in an article. At the same time the buyer must keep constantly on the lookout for new things, because in many cases the greater part of his profit is made through this class of merchandise.

Even though most buyers can well afford to take chances, care should be exercised in buying such goods. It is far better to buy too little than too much. Should the article prove a favorite more can be ordered at once, but if it turns out to be a "sticker" no price-cutting will move it. It must be bought, however, because it takes this kind of merchandise to sweeten up the staples and to assist in selling both.

Exclusive Agencies. The advisability of having an exclusive agency differs with various shopping lines. In cloaks, suits, and men's clothing a retailer, catering to the better class trade, can advantageously handle a restricted

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line. Customers make a practice of shopping through the various stores for such merchandise, and they are usually looking for exclusive models. Should the same garments be shown in different stores, no sale would result for any store. Of course, with popular-price merchandise exclusiveness is not an essential.

Piece goods (silks, fancy cottons, and novelty wools) sold to more than one merchant in a town or city will cause trouble. Frequently the plan of selling two or more merchants the same line, but different patterns, is followed. Mistakes are sometimes made, resulting in the same patterns appearing in the different stores. Each merchant is anxious to outdo competitors, and starts a cut-price campaign. The result is that no one makes a profit on the line.

Corsets, underwear, hosiery, and kindred lines are in a different class from the other lines mentioned. There is little shopping from place to place for some particular pattern or style. The customer may want some special weight and she may shop until she finds it. But she seldom shops with the idea of comparing a style, quality, and price. With these lines, however, there are so many different sizes, weights, materials, and styles in each that if the attempt is made to carry a representative stock of more than one line, too large an amount of cash would be required for investment, and justice would be done to no one. The appointment to an exclusive agency, a complete stock in one line, backed by the enterprise of a live merchant, makes an ideal combination.

A dealer who accepts the exclusive agency for a certain brand of flour, coffee, or any other grocery staple, does so in order that he may derive all the benefit from the manufacturer's advertising in the dealer's immediate locality. Through handling this staple, even though the sale nets only a small margin of profit, the dealer is enabled to sell

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other more profitable articles. Many of his customers, or prospective customers, become accustomed to use the staple, and they are necessarily obliged to purchase it through the dealer's exclusive agency. This plan is not only useful to bring in trade that would go elsewhere, but it adds prestige to the store.

The representative of a well-known implement manufacturer tells of a small concern which secured the exclusive agency for his line of implements. The concern, being young and without much capital, made a business of supplying farmers who had the cash or whose notes could be discounted at one of the local banks. On the advice of one of the bankers the line was pushed for all it was worth. Being old and well established, the small business began to profit by the reputation of the line. On securing the name of a prospect they sent out a regular follow-up to make the sale. A man when in the market for this sort of a commodity usually writes to all dealers and manufacturers for prices. Their competitors, in the mean time, were usually following the same prospect. These competitors, having more than one line to sell, sent salesmen, representing different manufacturers, in turn, to see the prospect. Each salesman on discovering the fact that the dealer had previously sent a representative of a different manufacturing company out for the same purpose was sure to cut prices. The dealer, of course, was the loser because the cut would come out of his profit should the sale be made. The business with the exclusive agency, however, held for its price, relying on salesmanship and the quality of the commodity to make the sale.

Exclusive Agencies and Advertised Brands. Those opposed to nationally advertised goods believe an exclusive agency to be a detriment to the business. The argument is usually advanced that the dealer spends more time advertising and pushing the manufacturers' merchan-

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disse and reputation than he does his own business. This is true in many cases, but it is often due to the retailer's own lack of business knowledge. Another argument which is frequently advanced is that after a retailer builds up a good business the line is taken away from him and given to some competitor. This may be true in some cases. But it appears that no manufacturer or distributor of a line would be unbusiness-like enough to take a line away from a dealer who was doing well with it and living up to his agreement. If the dealer is not doing well with the line and it is not an asset, the dealer is better off without it.

Any dealer who is favorable to nationally advertised goods would do well to secure the exclusive agency for some line of merchandise. In some cases, contracts guaranterring the sale of a certain amount must be made. Before signing such contracts, careful investigations should be made to determine the possible market.

PART III
BUYING PRACTICE

IV

THE MERCHANDIZING PLAN

Get the Basic Facts. One of New York City's most successful rug-buyers delights in telling of an experience which early taught him the importance of getting a basis of facts before beginning the buying. He began work in a small town in the Far West, and spent several years in clerking and in acting as the general handy man. Then one of the partners in the firm sold out his interest to the other. The new owner of the store, young and progressive, having some cash on hand, began making preparations for the expansion of the business. Many of the customers had been in the habit of visiting a near-by city to purchase floor-coverings and allied commodities not carried by the stores in the town. Of course each visit to the city meant the buying of other things which could have been purchased at home. Therefore it was decided to put in a first-class carpet-and-rug department, and as the young clerk in question was the most available man for the new department, even though he knew little about the merchandise, he was put in charge of it.

As soon as the decision was made the new buyer went to Chicago with the owner of the store to select the opening bill of goods for the new department. In addition to staples, a special as a leader was under consideration. Fortunately they realized their lack of knowledge, so at the first wholesale house they asked for advice in their selection. The

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sales-manager, a good-natured man of many years' experience, who took a fatherly interest in every one with whom he came in contact, listened to their story with interest. Finally he asked, "Have you ever bought rugs before?" "No." "Ever sold them?" "No." Then he went on: "What is the population of your town? What kind of people do you have there? Do you cater to the better class? How much money have they, or do they live on credit? Are they free spenders? How much competition have you? What kind of merchants are they? Do the post-office people and the express agents have anything to say about the amount of money the people send out to the mail-order houses?" The sales-manager asked various other similar questions, and then said: "Suppose you come up to-morrow morning at nine o'clock. In the mean time think over the questions I have asked you. By that time I think you can answer them. Then we will proceed to size up the situation and decide on the lines you ought to carry."

The following morning they found the sales-manager on hand and ready for them. They discussed the questions at further length. Several huge stacks of samples were then laid out on the floor, and chairs were placed so the visitors could see the line to the best advantage. An attendant showed sample after sample, while the sales-manager and the visiting buyers commented on each. In many cases the visitors thought favorably of samples which the sales-manager passed by. Patterns which seemed suitable to the sales-manager were held out with a positive suggestion with which the buyers invariably agreed. After selecting about fifteen hundred dollars' worth of goods they were told that they had a "good start," and that as they could always get more on short notice, it would be a wise plan to try out the lines selected before buying more heavily.

The sales-manager had actually selected the stock. But

THE MERCHANDIZING PLAN

he made it appear as though the two buyers had actually done so. He had asked questions enough to find out their exact needs, and as a result really knew more about them than they did. The merchandise sold well and with the help of the Chicago house they built up a splendid business. Each time the new rug-buyer visited the city he learned a little more from this same sales-manager, until finally he was able to select merchandise designed to meet the demands of the trade and the competition in his locality without special assistance.

Merchandizing Plans and Policies. These basic facts should include as complete data as possible on the people who compose the natural buying community, and the competition to be met. Upon this basis the merchandise plan and the merchandizing policies are determined. The plan will show how much business it is expected to do in each line, month by month, during the season: how much stock should be carried from day to day and at the season's end, and what the price-range, mark-up, and turnover should be. Only upon such a basis can the buyer work intelligently.

Visiting the Markets. When the buyer comes to the actual selection of merchandise, one of the most important questions which must be decided is whether he shall visit manufacturers and wholesalers in the buying season or depend on traveling-salesmen and on purchases from manufacturers' catalogues. The benefits gained by being on the field, to see full lines of merchandise, and to come into personal contact with the manufacturers must be weighed against the expense involved. Experienced buyers regard the trip as an investment upon which they realize large returns in an accumulation of new ideas and information in regard to their lines. These visits to the market are especially valuable to buyers of such commodities as dress-goods, ready-to-wear garments, shoes, and jewelry, in which

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FOR FIRST SEASON OF NEW STORE OPENING FEBRUARY, 1917

Lines	Initial Stock at Cost	Average Stock at Cost	Turnover Season	Total Estimated Sales for Season at Cost	Percent Mark-up at Cost	Average Stock at Retail	Percent Mark-up on Retail	Total Estimated Sales for Season at Retail
Colored dress goods	\$3,000 00	\$2,500 00	1½	\$ 3,750 00	33½	\$3,333 33	25	\$ 5,000 00
Silks and velvets	3,725 00	2,500 00	2	5,000 00	33½	3,333 33	25	6,666 666
Black goods	1,500 00	1,000 00	2	2,000 00	33½	1,333 33	25	2,666 666
Linens	2,000 00	1,750 00	2½	4,375 00	25	2,175 00	20	5,468 75
Cotton dress goods	2,500 00	2,000 00	2½	5,000 00	33½	3,333 33	25	6,666 666
White goods	2,500 00	2,000 00	2½	5,000 00	33½	3,333 33	25	6,666 666
Woolen goods	3,250 00	2,250 00	2	4,500 00	25	2,175 00	20	5,468 75
Leaves and embroideredes	3,250 00	1,750 00	2	3,500 00	25	2,175 00	20	4,375 00
Handkerchiefs	500 00	375 00	3	1,125 00	40	525 00	28 57	1,575 00
Notions	1,000 00	750 00	3½	2,625 00	25	1,866 66	25	2,381 50
Ribbons	1,000 00	1,250 00	3	3,750 00	33½	500 00	25	5,000 00
Patterns	600 00	500 00	1½	500 00	50	750 00	33 33	750 00
Underwear	4,500 00	4,000 00	1½	6,000 00	33½	5,333 33	25	8,000 00
Women's ready-to-wear	9,000 00	7,500 00	3½	26,250 00	25	9,375 00	20	32,812 50
Children's ready-to-wear	375 00	250 00	2½	625 00	33½	383 33	25	500 00
Gloves	1,500 00	1,000 00	2½	2,500 00	33½	2,333 33	25	3,166 666
Hosiery	1,500 00	1,000 00	2½	2,500 00	33½	2,333 33	25	3,166 666
Perfumery and fancy goods	300 00	250 00	2	500 00	40	350 00	28 57	700 00
Men's furnishings	2,750 00	2,250 00	2	4,500 00	33½	3,000 00	25	6,000 00
Carpets, rugs, and upholstery	6,000 00	3,750 00	1½	5,625 00	33½	5,000 00	25	7,500 00
Leather goods	750 00	500 00	2½	1,250 00	33½	666 66	25	1,666 666
Total	\$48,525 00	\$37,500 00		\$85,687 50		\$48,735 39		\$110,551 288

Estimated total sales per season at retail minus total sales per season at cost equals the gross profit. For instance, \$110,551.288 - \$85,687.50 = \$24,863.53 gross profit.

Then the gross profit divided by the total sales per season at retail equals the average mark-up per season on retail. As, \$24,863.53 ÷ \$110,551.288 = 22.49 per cent average mark-up per season at cost will give the average mark-up per season on cost. \$24,863.53 ÷ \$85,687.50 = 29.01 per cent average mark-up per season on cost.

Finally, the average mark-up per season on retail divided by the average stock at retail equals the average turnover at retail for the season. Then, if this be multiplied by two, the annual average turnover can be obtained. \$110,551.288 ÷ \$48,735.39 = 2.26 average turnover per season. Then, 2 × 2.26 = 4.52, average annual turnover based on estimated annual sales at retail.

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the "latest style" is an important consideration. Buyers of specialty lines see many fads in vogue which they can introduce in their home towns with profit to themselves.

For example, take the selections of women's ready-to-wear garments by the buyer who has decided to visit the large manufacturing centers at least twice a year. It is especially true in this line that the retail buyer who can go to the market in the buying season finds there help which proves greatly to his advantage. The manufacturers and jobbers are competing with one another to have the most complete showing of new styles and fabrics. The large retail stores, as they are in direct and constant touch with the manufacturers, have merchandise not yet shown by traveling-salesmen. At the same time, merchants from every part of the country are in the city, and they are, as a rule, the most progressive and successful ones. They are always willing to discuss the problems of retailing and to show how they are solving them in their own stores.

Preparation for the Visit. Here again we will assume that the buyer's line is women's wear. His first task is to plan the "campaign." Given a limited amount of time and a definite range of buying to be done, which is to fit into the merchandizing plan of his department for the season, the careful buyer at once realizes the importance of doing at home everything possible in the way of preparation. For he cannot take time while in New York or Chicago for anything which could have been done in advance. It is a great help to the wearing-apparel man if he has some idea of new colors and styles when he first calls upon the manufacturer. Likewise, he must know what distribution he wishes to make of his buying allowance throughout the range of style, color, price, and size.

The question naturally arises as to the method of getting this information before leaving home. It is obvious that a

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systematic study of the trade journals in women's wear will give him an idea of the new styles, colors, and fabrics. Every such journal makes an earnest effort to inform the retail merchant of these facts and to give him all possible help. But not every buyer makes an earnest effort to use this material to the best advantage. One way of getting the information is to clip from the various trade journals the references to each different line, and to place them side by side, scrap-book fashion. Comparative notes can then be made from which a buying policy can be partly decided upon before starting for market. Advertisements and articles in the mercantile sections of such papers as the *New York Times* and the *Chicago Tribune* often give good hints on style tendencies. It is well, too, to watch the advertisements of the department stores and specialty shops in the market centers, for such stores vie with one another in being the first to offer strikingly new merchandise. When all of these hints of future demand have been arranged for ready reference, the buyer has a basis on which to make his inquiries.

His final selection of merchandise, however, necessarily takes into consideration the sales of the previous season, and his own knowledge of what his customers will buy. Here again he can make careful preparation for the trip. He knows the people who come to his store. He knows the quality of merchandise they demand. But the more exact this information is the more definitely it can direct his selection. He will find invaluable any statistics of his business which will readily show him what he wishes to know when buying. For certain questions occur invariably to the careful buyer, and must be answered before his choice can be made to the greatest advantage:

How many of this size did we sell the past season?

What colors sold in large quantities?

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What were the popular prices?

How much have we in stock now?

Information on such points as these furnishes a valuable guide to purchasing. The accompanying chart shows the method one ready-to-wear buyer used in keeping track of the demand for children's coats. The same method, with slight modifications, may be used for any similar line of merchandise. As the coats were sold, entry was made on the sheet. He took a copy of the entries with him on his visits to the manufacturers and jobbers, and referred to it when deciding on the distribution of his order throughout sizes, color, and price. Definite records of past demands did away with guessing, and told him all he needed to know.

Another help which the buyer can prepare at home is the list of manufacturers whom he wishes to visit while in the city. A directory of the ready-to-wear houses will enable him to arrange his visits with regard to their relative location. A great deal of time is lost in going from one concern to another far distant, when others which are to be visited lie between the two.

Sizing Up the Market Before Purchasing. Two buyers from small cities met on the streets of New York.

"How much have you bought since you came a week ago?" asked one.

"Nothing as yet," answered the second buyer. "I've been looking in the large stores and taking numbers at the manufacturers'."

"What do you want to do all that looking for?" asked the first man. "I know my trade. I'm hustling right through, and I'll finish up long before you do."

He did finish quickly, but later he reported a "dull" season, while the second buyer had "nothing to complain of; just busy every minute."

This instance illustrates two widely different methods of

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CHART SHOWING DEMAND FOR CHILDREN'S COATS

COLOR	Black				Navy				Brown				Hibiscus				Red				Green				Cape Verde				White							
	12	11	10	9	8	7	6	5	4	3	2	1	12	11	10	9	8	7	6	5	4	3	2	1	12	11	10	9	8	7	6	5	4	3	2	1
PRICE	12	11	10	9	8	7	6	5	4	3	2	1	12	11	10	9	8	7	6	5	4	3	2	1	12	11	10	9	8	7	6	5	4	3	2	1
AGE	6 Mos	1 Yr	2 Yrs	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35
1 Yr	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	
2 Yrs	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	
3	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	
4	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	
5	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	
6	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	
7	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	
8	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	
9	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	
10	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	
11	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	
12	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	
13	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	
14	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	
15	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	
16	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	
17	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	
18	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	
19	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	
20	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	

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working at the marketing center. The first buyer hurried through his buying. He relied on his own personal judgment and taste in selecting, without first finding out what had already begun to sell successfully at retail in the city. He bought from the first manufacturer who seemed to have a good line, without a careful comparison of prices and qualities at all the manufacturers' whom he could visit to his advantage. In short, he neglected the very opportunities of observation which a visit to the market offers.

The trained buyer proceeds in the manner of the second man of the illustration. His study at home of the trade journals has given him certain ideas concerning the season's demand. The first thing to be done on reaching the market is to ascertain whether his own estimates can be relied on. He has a guide in the merchandise which the large retail establishments are already selling. For they already have in stock the styles from which he must choose at the manufacturers'. Visits to the retail stores of the higher class will show him what the exclusive trade is demanding. Here he finds the new models before the cheaper manufacturers have copied them. Polite inquiries and interest in the merchandise often induce the salespeople to show their entire line of new stock. They will tell what garments are popular and what seems to be the best style which the season has to offer. Often department heads will give the names of concerns from whom they have found it advantageous to purchase.

To continue this systematic visiting of retail stores through all classes, from the higher priced to the cheaper, is to gain a knowledge of all qualities of merchandise on the market. From his own experience he knows the class of his trade and the demands of his own locality. A second visit to the establishments which carry corresponding lines to his own will verify his first impressions.

Beginning the Buying. When he has finished this survey

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he has full knowledge of what the experienced heads of the large retail stores have bought and their estimate of the season's styles. He is now ready to visit the sales departments of the manufacturers and jobbers. To his own prepared list of concerns he adds those which he has obtained in his canvass of the retail stores. The wise buyer becomes a shopper. Before placing his order he goes to as many houses as possible. A comparison of prices and qualities is necessary for advantageous buying. If, for example, women's and children's coats are to be purchased, the complete line of women's coats is inspected before beginning to buy for the children. The numbers of desirable styles are taken and notes made on the quality, color, and price. A comparison of these notes will readily show where the orders can be given with greatest profit.

From many other angles, the time spent in looking at new lines, comparing values, and finding places where the prices are right, pays well. For instance, the manufacturer who has a good line one season may be entirely off the following year. Therefore, each season the buyer has to do over again the same work of checking up the good lines and the sources of bargains. While on a recent visit to New York a Western buyer received a request to buy patent-leather belts to retail at twenty-five cents. All the regular lines showed recent advances, which brought the price to twenty-four dollars per gross. After "shopping" an hour or so the same number was found in a small down-town manufacturing establishment at nineteen dollars. The quality was identically the same.

Frequency of Buying Trips. Many ready-to-wear buyers visit the New York market once a month, and some as often as once a week, during the height of the season. On such trips the buyer should visit the restaurants and theaters in order to see what fashionable women are wearing. It is just

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as much a part of his work as visiting the manufacturers, and perhaps more necessary.

Seeing What Well-dressed People are Wearing. A few weeks before writing this chapter the author was chatting with the proprietor of a large department store in a Middle-West city, when the buyer of ready-to-wear broke in to announce his return from a trip. In reply to the obvious question as to the success of his trip, the buyer replied: "I had a fine trip and got a lot of beautiful stuff, but I nearly ran my legs off doing it. I was so dead tired every night that I had to go to bed as soon as I got back to the hotel." The proprietor exploded: "Why didn't you use your head more and your feet less? If you had, you would have had a more pleasant trip yourself, and I dare say a more profitable one for the house. The next time take it easier during the day, and then go to the Ritz for dinner, and to the theater in the evening. Don't take the manufacturer's word for the styles. Go where fashionable women go and see for yourself what they are wearing."



V

THE STEPS IN BUYING

The Buying Process. In each individual purchase of merchandise there are certain steps as the buyer considers one after another the various considerations affecting the individual purchase. The general procedure is the following, but the relative importance of each factor will vary with each line of merchandise and with each class of merchandise within the line. In some lines not all these steps are present, while in others different ones will be included.

- (a) Determination of qualities, workmanship, and finish.
- (b) Selection of styles, colors, and sizes.
- (c) Decision on prices and deliveries.
- (d) Arrangement of terms and discounts.

In addition to showing the steps in the buying process, such a classification makes it possible to test the desirability of each individual purchase. For instance, if two articles are offered, one of which is entirely satisfactory from the standpoint of the first three steps, and another from that of the last three, which would be the preferable purchase? One purchase might be 90 per cent. satisfactory, and the other only 60 per cent. satisfactory. But the main value in such a classification is to serve as an exposition of the buying procedure. For purposes of explanation it is best to illustrate with a particular line. As women's ready-to-wear is

THE STEPS IN BUYING

probably one of the most difficult lines to buy, that has been selected. The method in general, is equally applicable to any type of merchandise.

WOMEN'S READY-TO-WEAR

Inexpensive Grades

1. Decision on price and delivery	40%
2. Selection of styles, colors, and sizes	30%
3. Determination of qualities, workmanship, and finish.	20%
4. Arrangement of terms and discounts.	10%
	100%

Medium-priced Grades

1. Determination of qualities, workmanship, and finish.	35%
2. Selection of styles, colors, and sizes	30%
3. Decision on prices and deliveries	20%
4. Arrangement of terms and discounts	15%
	100%

High Grades

1. Selection of styles, colors, and sizes.	35%
2. Determination of qualities, workmanship, and finish.	30%
3. Decision on prices and deliveries	20%
4. Arrangement of terms and discounts	15%
	100%

Price is therefore the biggest factor in the inexpensive merchandise and is twice as important as quality. In the medium-priced merchandise the condition is practically reversed, while in the highest grades style becomes predominant over both. In all cases the bargaining for terms and discounts is left until after all the other steps have been completed.

Subdivision of Steps. Next the different steps may be subdivided so as to show what each one includes. Here again it is necessary to take a specific case in order to show

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the subdivisions because of the fact that they would vary widely with each time and each grade of merchandise.

SUBDIVISION OF STEPS

MEDIUM-PRICED

Ready-to-Wear Merchandise

1. Determination of qualities, workmanship, and finish.	
(a) Testing for raw material	6%
(b) Judging process of manufacture	3%
(c) Estimating cost of manufacture	4%
(d) Feeling for weight	2%
(e) Sizing up any guarantee	6%
(f) Examining for flaws	5%
(g) Valuing the finish (machine or hand)	4%
(h) Ascertaining care used in exterior finish	2%
(i) Ascertaining care used in interior finish	3%
Total	— 35%
2. Selection of styles, colors, and sizes.	
(a) Selection of style according to demand	5%
(b) Selection of style according to latest fashion	5%
(c) Selection of style according to amount on hand	5%
(d) Selection of color according to demand	2%
(e) Selection of color according to latest fashion	2%
(f) Selection of color according to amount on hand	2%
(g) Selection of sizes according to previous demand	6%
(h) Selection of sizes according to changing conditions	3%
Total	— 30%
3. Decision on prices and deliveries.	
(a) Judging prices which can be obtained	6%
(b) Figuring net landed cost	1%
(c) Determining gross profit	2%
(d) Comparing gross profit to cost of doing business	6%
(e) Ascertaining date of deliveries	2%
(f) Agreeing on date of delivery	3%
Total	— 20%

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4. Arrangement of terms and discounts.

(a) Obtaining best terms and discounts under conditions.....	10%
(b) Comparing terms and discounts with that of other houses handling similar lines.....	2%
(c) Comparing terms and discounts with quality, style, and price to get relative value.....	3%
Total.....	15%
Grand total.....	100%

Selection of Qualities, Workmanship, and Finish. The subdivisions of this subject, except that of raw material, are almost entirely self-explanatory. The detailed methods of testing the raw materials are given in Chapter VI, under textiles. It is here that long experience in dry-goods, and particularly ready-to-wear, with some knowledge of manufacturing processes, is of great value. It is obvious, however, that a detailed discussion of the subject would require several volumes; so that the author must content himself, much to his regret, with a statement of the various points to be considered.

Selection of Styles, Colors, and Sizes. Already there has been discussed as a preliminary to the buying trip the means of getting all possible information on styles and style tendencies. It is well to point out here that the buyer's success comes not from being able to buy a complete stock of all good styles, colors, and sizes, but from buying a small representative stock to suit his own clientele, and so avoid the loss from overstock. Every merchant knows, too, that the showing of too many garments will spoil a sale. The customer becomes confused and finally decides to "look further." The next store sizes her up and shows only two or three of the most likely garments, with the result that a satisfactory selection is made promptly. Therefore the merchant in a small city may compete successfully with his

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metropolitan competitor if he will but study his merchandise problem. Small but intelligently selected stocks are more desirable for real merchandizers.

Prices and Deliveries. After having decided on the general price that the article under consideration falls within, the first consideration is what the customer will give for an article. One ready-to-wear buyer has a habit of taking one or two of his clerks with him on his buying trip. When a garment is shown, if it looks suitable, each clerk is asked to state what she thinks it would bring. From this is subtracted the cost price, of which the clerk is ignorant so far, and the gross profit is obtained. If it is satisfactory, the garment is considered; otherwise it is passed by at once.

If the garment is bought, it is entered up on the buyer's buying-chart along with the selling-price. This data is forwarded at once to the buyer's store, if he is away on a buying trip, so that the goods may be priced and put on sale as soon as received.

Quantity Prices, Free Deals, and Extra Discounts. Practically all manufacturers and jobbers have a regular scale of prices with regard to quantity orders. This quantity price may be given by pricing the merchandise per single unit; a lower price, each, per dozen; a still lower price, each, per gross; and so on. Or special price concessions may be given in the form of free deals. Various manufacturers, finding that many of the smaller retailers object to quantity prices, allow the big buyer two to three dozen free goods with each gross purchased. By following such a plan they are enabled to advertise, "One price to all dealers," and to impress the smaller buyer with the fairness of the proposition. The free goods, in some cases, are billed as advertising. Many manufacturers of toilet goods make a practice of entering the free goods on the regular bill without price extension.

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A good illustration of quantity price was given by a manufacturer of cheese during this past season. The buyer of a well-known New York City store was favorably impressed with the line, but the store, being a price-cutting establishment, was forced to ask quantity prices on all merchandise purchased. The manufacturer featured a one-price policy, but he needed this account. In order to meet the buyer's terms the sales-manager closed a large order with the firm, agreeing to rent space from the store for demonstration purposes and to employ a demonstrator. The amount which was paid the firm equaled the difference between the regular price of the cheese and the price the buyer was willing to pay. The buyer did not care how he got the price, and this plan offered an ideal way for the manufacturer to get around quantity prices.

The extra discount also furnishes a method of getting around the quantity price. The merchant who buys in small quantities gets 2 to 3 per cent., depending upon the kind of merchandise being bought. Another, buying in large quantities, gets 3 to 5 per cent. A third, who buys even larger quantities, may receive 7 or 10 per cent. To avoid all chance of detection all bills are marked, "Terms as had." It should be remembered, however, that all firms making a practice of marking bills as described do not make a practice of giving quantity prices, although a large proportion do.

It is generally understood that no manufacturer can make a single article as economically as five hundred. Nor can a sales man or a sales-manager sell one article as cheaply as one thousand. The larger orders require not only less selling expense proportionately, but less clerical work per article. They may be bunched and turned out by the thousand, reducing the cost of manufacturing, as well as handling and shipping. The smaller buyers, however, are usually un-

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tagonistic toward quantity prices, while of course the large buyers favor it. It is possible for a number of the smaller buyers to co-operate in the purchase of their merchandise in quantity, taking advantage of the quantity price and placing each individual merchant in a position to compete with his larger competitor.

Clearance Prices. Manufacturers, as well as retailers, find clearance sales necessary. In ready-to-wear merchandise, at the close of a retail buying season, from November 20th to January 30th, and May 15th to July 15th, manufacturers are anxious to close out all remaining merchandise and devote their time, energy, and money to lines for the coming season. Therefore many will dispose of goods on hand at actual cost, and in some cases below cost. On December 1st one Wisconsin retailer bought, at \$10.75 net, one hundred coats, identical in every way—cloths, styles, and numbers—with coats which had been purchased earlier in the season priced at \$15, \$16.50, \$18, and \$21.50. These coats were marked at the same prices as the original numbers, namely \$19.75 to \$35, and after Christmas all that remained found ready sale when reduced to \$15 to \$22.50. On February 1st fifty more of the same numbers were purchased at \$5.90 net, and these were marked and sold at \$10 net. The customers received extraordinary values, and the merchant realized large profits.

Terms and Discounts. The cash discount, a premium for cash, is given too little attention by many buyers. A department-store buyer, of eighteen years' experience, was overheard remarking to a salesman, "I have nothing to do with the discount, and I do not care whether it amounts to 1 or 10 per cent. The office gets all credit for discounts." This buyer acknowledged that he was not interested because he did not receive credit. Yet he failed to ask for the net price, which is a wrong way to merchandize.

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A large Cleveland ready-to-wear merchant made the statement early last year: "I am a successful merchant because I take advantage of every discount offered. Last season my profits amounted to thousands, and practically every penny was made by taking advantage of the discounts." Another merchant, of Oshkosh, Wisconsin, while in New York on a buying trip, remarked, "I am perfectly willing to accept my discounts as profit from my business, and I shall be satisfied if that is all I receive during the year."

These discounts amount from 1 to 10 per cent., depending upon the kind of merchandise. Staple commodities usually carry a discount of 2 per cent., ten days, meaning that the purchaser is entitled to 2 per cent. if the bill is paid in ten days' time. This is equivalent to 36 per cent. per annum. Other merchandise carries better discount—5, 7, and 10 per cent.; 7 per cent., if paid within ten days, nets an interest rate of 126 per cent. Some few manufacturers make a practice of selling merchandise at list price, retail, less 30, 40, or 50 per cent., less 5 or 6 per cent., and then less 2 per cent. for cash. A five-dollar pen would be subject to 40 per cent. discount, or \$3. From this would be deducted 6 per cent., which leaves \$2.82, and then 2 per cent. of the remainder, or five cents, making the net cost \$2.72. These figures show that we are paying an unusually high rate of interest if we are not taking advantage of discounts, when we consider money may be borrowed for 5 or 6 per cent.

The term dating means to date into the future. For example, a grocer buys a car of fruit, with a dating of ninety days, subject to 2 per cent. per month if paid before due. This is, however, a very unusual happening in that line. Frequently lines of merchandise carried by the department store may be bought under such conditions, although one-half of 1 per cent. is allowed, as a rule instead of 2, in addition to the cash discount. Such extra or forward dating

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is usually given where the account is large and the manufacturer is extremely anxious for the business, or where the manufacturer must unload his stock. It is common in certain lines. For instance, the usual terms in the white-goods trade is 2 per cent., ten days, sixty days' extra dating. If the goods are sold for delivery on September 1st, they are billed as if sold two months later. The retailer is entitled to the cash discount of 2 per cent. if he pays the bill by November 10th, but if he pays it by September 10th he gets an extra 1 per cent., which is really interest for the two months anticipated at 6 per cent. per annum.

Advance Buying. Frequently traveling-salesmen tell of meeting merchants who refuse to place advance orders for merchandise. These may be dealers in hardware, shoes, clothing, women's wear, dry-goods, groceries, or jewelry, and may think that they have good reason for refusing. They may believe that the coming season will be late and that they will have plenty of time to place their orders later, with every assurance of having the merchandise delivered on time. Possibly they judge that the market shows a tendency for a decline in prices, and that they will save money by buying later. Should their judgment be found incorrect, and should the season turn out to be early, with an advancing price for the commodity, the merchant, of course, is the loser. Even though the prices are not advanced, there will be a loss because of the early sales that will be lost. Regardless of what the season may be, these dealers fail to consider that many desirable patterns and styles will be closed out by the time they get ready to buy, and that they must take what is left. Sometimes desirable merchandise cannot be found at a moment's notice, and in all cases some time must be allowed for delivery.

On the other hand, some merchants are easily imposed upon. The traveling-men come in, show their samples, and

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take orders for the greater portion of merchandise to be used during the season. The merchant, believing that the season will be an early one, or that the prices will be advanced, decides to protect himself. Some years ago the cotton market was unusually high. "Hope" domestic was selling at nine and one-half cents, wholesale. Gingham, percale, and prints were priced accordingly. A successful retail merchant south of Louisville decided that the prices were going still higher and that he could well afford to protect himself. The market did go up a few points after the merchant had filled his reserve stock-rooms and all the available space in his store with cotton, but before the season had well started the bottom dropped out of the market and the merchant realized that he was caught napping. Every attempt was made to unload. The merchant had guessed wrong. He had overbought and had ruined himself. Too heavy advance buying, no matter what the season happens to bring forth, is disastrous. It means dollars tied up which should be working in other stock.

The wise merchant plays safe. He profits through the example of others. Enough merchandise is bought to take care of the opening trade, should an early season develop, and new goods are bought continually throughout the season. This assures him of being taken care of in case merchandise should later prove difficult to buy; while it does not mean a big loss should the market drop. The interest on the working dollars will more than offset any profit that is to be made on a gamble at buying for higher prices. This is conservatism, through which success is won.

Cancelations and Returns. Manufacturers and jobbers are, to a great extent, responsible for the majority of cancelations and returns in every business. A short time ago a salesman visited a well-known department store with a sample line of waists. Among the lot shown were three es-

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pecially good values in Japan silk and crêpe de Chine. One Japan silk, made of a five "mummy" Jap., very full, with large collar and novelty cuffs, was priced so low that the buyer ordered one hundred dozen, to be shipped in three different shipments. In order to make sure that he would get the same quality of silk he kept the sample shown. Six weeks later one-half of the order was received. Upon investigation and comparison with the original sample, it was found that a three "mummy" Japan silk had been substituted, making a difference of, approximately, sixty cents in the actual value of the waist. The entire shipment was reboxed and held until the manufacturer sent his check to cover freight charges and drayage. The manufacturer had taken a chance on substituting, in the hope that some subordinate would open and mark the merchandise and that the mistake would not be noticed until the payment had been made.

Many mistakes will occur in the cloak-and-suit business, unless merchandise is bought of reliable houses. When buying, charts are used to show what sizes are needed in the various colors, and unless the merchandise or receipt is checked with the charts, the buyer will soon discover that many of his suits or coats are the same size and color, frequently size 34 or 36. The manufacturers take the liberty of shipping any size or color that they happen to have on hand, hoping that the marker will place the merchandise in stock without an investigation. It is also found that many damaged garments slip in. No retailer can afford to take the chance of failing to examine and check accurately all merchandise received, never failing to return merchandise if it does not come up to specifications and requirements.

Some grocery and hardware men complain that they do not receive merchandise which has been on order several months. Investigations show, especially at the present time, that many times orders are being held back and more recent

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orders filled for which advance prices were secured. When placing the order, an agreed time of delivery should be entered on the order, and if the merchandise is not delivered on time inquiry should be made at once. A follow-up of frequent letters of inquiry will often produce results.

Unfortunately, there are just as many unscrupulous retailers as manufacturers. There are some who pride themselves on taking advantage of a manufacturer or a jobber. Such retailers deserve just what they give, and no manufacturer could be blamed for reporting the offense to the various trade associations. A manufacturer has a perfect right to expect the same kind of treatment he gives his customers.

Allowing the Salesman to Buy Your Business. The young buyer, breaking into the New York City market, is constantly impressed with the number of salesmen who are anxiously waiting to buy his business. Hotel lobbies are full each morning of salesmen who are waiting to pay for some buyer's breakfast in the hope that he will be able to get the firm's business. Other salesmen are anxious to make engagements for luncheon, and to take in the sights of the city in the evening. They seem to have the idea that the entertaining is necessary if they expect to get the business. It is perfectly true that some few (poor, unfortunate, deluded) buyers get the impression that in order to succeed as buyers they must take everything that comes their way. They make a point of sponging on every salesman possible. They never feel that they are placing themselves under obligation to the salesman, or that they must buy his merchandise, regardless of what they are capable of finding in other places.

Several months ago, in a Wisconsin department store, one of the young women went to the merchandizer with an order to be signed. It was for merchandise bought of a new house, and amounted to several times what had been bought sev-

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eral months previously. She was so anxious to get the order signed that the merchandizer began to suspect something wrong. Therefore he had one of the other girls in the department look up the merchandise. Enough merchandise to last six weeks was found in reserve stock. The young buyer declared she had been unable to find any. Later it developed that the salesman had entertained the young lady, and she, in turn, had agreed to see that he got an order. In other words, she was willing to make her employer pay for the good time she had had the evening before.

This is exactly what the buyer attempts to do when he accepts a salesman's too lavish expenditure. Many merchants make it a practice to entertain their own buyers at their own expense when on buying trips, in order to insure the right buying of the merchandise. One of New York's most successful retail buyers remarked, "When I go into business I shall never allow any employee to accept as much as a cigar from any one with whom I am doing business, or with whom there is a chance of their having any business relations." This is a good rule to follow, and all buyers, both small and large, should give it due consideration.



VI

DETERMINING QUALITIES

The Importance of Ability to Judge Quality. The quality of a commodity is the characteristic which distinguishes it from others of a class. Much of a buyer's success must depend upon his ability to recognize quality. He is not capable of comparing merchandise intelligently unless he is a competent judge of the various degrees of excellence. The manufacturer knows his goods from every standpoint. The buyer must be no less well posted as to quality. He must possess, in addition, a knowledge of how goods are manufactured, the cost of production, and raw materials, market conditions, and many other factors affecting quality.

Since each buyer's establishment caters to a definite character of trade, the policy of the house must determine what quality of merchandise is to be handled. For example, a certain department store in one of the larger Southern cities caters to the colored population and the humbler classes of white people. It follows that all merchandise bought must be selected with the idea of meeting the tastes and requirements of this trade. The higher qualities of merchandise, or more conservative styles and patterns, would not sell. Naturally, there are other stores in the same locality catering to the higher classes of trade.

Textiles. The study of textiles and the tests for the various fibers is important both for the store buyer and the

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salesman, and serves as the best example of the thoroughness with which a buyer should study the methods of testing for quality. The advancing costs of raw materials and manufacturing have had a tendency to cause more substitution than ever before. Many treated cottons are sold as linen; and much cotton, especially the Peruvian cotton, which feels and looks like wool, has been mixed with the wool fibers and sold as an all-wool material. The buyer should be familiar with the construction of the various fibers as well as with the different qualities of the textiles, and understand thoroughly the simple tests used in distinguishing one from another.

There are two classes of textile fibers, vegetable fibers and animal fibers. Wool and silk are animal fibers, while the vegetable fibers are composed of cotton, flax, hemp, jute, ramie, China grass, and many others. Each of these fibers, having its own peculiar characteristics, may be readily detected upon careful examination. In many cases a small magnifying-glass, called a linen-tester, is the only means necessary to make a test.

Cotton. Cotton is commonly used for imitating other more expensive vegetable fibers. It appears, when observed through a glass, like a wide, flattened ribbon, and is composed mainly of cellulose. The fiber can stand a very high temperature without decomposition, but burns with a flame when ignited, gives off little odor, and leaves a gray ash.

Wool. Wool is composed of carbon, oxygen, and nitrogen. Under a glass it appears as a compact uniform rod, overlaid with scales, which appear to be set one into another, very much like the scales of a snake. Some of these scales are smooth and lie flat, as in mohair, where few serrations appear; while others are noticeably rough. The wool fiber burns slowly, with a dull flame, or merely melts together, leaving a bulb of hard brown ash, giving off a very disagreeable odor similar to the burning of hair.

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Cotton. As it is the most inexpensive, cotton is the principal fiber used in combination with wool. Should either the burning test, which is a simple chemical test, or the examination of the fibers under a glass fail to prove the origin of the fiber, there are several other chemical tests which may be employed. One of the simplest of these, and one of the most commonly used, is what is known as the "boiling-out" test. A solution, consisting of one ounce of caustic soda dissolved in a pint of water is prepared, and a sample of the material is boiled in this for fifteen minutes. The wool will dissolve, while the cotton part remains in a slightly yellowish state. Treated with cold sulphuric acid, it is found that the cotton will dissolve while the wool remains intact.

Silk. This is the most valuable of all fibers, and consequently it is the most imitated. Many processes have been invented to preserve the appearance in imitation and to cheapen the product. The pure silk appears as a smooth cylinder, hollow in its construction, usually appearing as two distinct threads. Artificial silks, made of cotton, wood pulp, and other vegetable fibers, and wild and weighted silks, are used as substitutes for the pure-thread silk. The artificial silks, being composed of cellulose, are easily distinguished from the animal fiber. The pure-silk fiber burns like wool, seeming to melt slowly, giving off a disagreeable odor, while the vegetable fiber burns like cotton, more rapidly, leaving no odor. Weighted silks give off more ash, and the entire thread retains its shape, and when heavily adulterated it glows red until shaken or crushed. Artificial silk, when exposed to moisture, becomes weak and is easily pulled apart, while pure silk remains strong. Another test is to take several strands of yarn and chew them thoroughly. The artificial silk will be reduced to a pulp, while the pure silk will retain its original formation. The magnifying-glass shows the pure-silk threads twisted, while the artificial is

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shown to consist of a number of parallel strands. The luster of the artificial silk is much higher than the pure silk.

The acid tests may be used to good advantage in distinguishing the fibers. Nitric acid will turn silk yellow very quickly and dissolve it in a short time, but will not stain or damage cotton. A 2-per-cent. solution of caustic soda will dissolve silk, while cotton or artificial silk remains unaffected.

Silk and Wool. These two textiles are very often mixed in noveltymaterial. The "linen-tester" furnishes excellent means of distinguishing the presence of either. However, as both are animal fibers, the simple tests are not sufficient to tell the relative amount of each. A solution of zinc chloride, to which a small quantity of zinc oxide is added, will dissolve entirely the silk and only part of the wool. This will determine the formation of the textile and show the proportion of each fiber.

Linen. Flax thread, from which linen is spun, is a vegetable fiber. It appears jointed, like a cornstalk, with cross-marks showing on the fiber and no natural twist found. It is lustrous and oily, being much stronger than the cotton. Cotton cloth tears easily, with a muffled sound, while more force is required to tear linen of equal thickness, and the tearing gives off a shrill sound. The edges of torn cotton show short, curly ends, as does a cotton thread when pulled; the edges of the linen appear straight and outstretched.

Linen is much heavier than cotton, bulk for bulk, and it has a cold, leathery feel which is absent with cotton. The cotton retains the heat much longer than the linen. By holding a cotton cloth to the light it will be noted that the weave is quite uniform, while the threads of the linen are very uneven and streaked. A drop of oil touched to linen which is free from dressing will appear almost transparent when held to the light, while cotton remains less so.

If further tests are necessary it will be found that linen will stand the test of sulphuric acid much better than cotton.

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A sample of the material, after having been washed carefully to remove any dressing, is dipped in concentrated sulphuric acid. After a two-minute submersion, if the sample is dried on filtered paper, it will be found that the cotton has dissolved in the acid and the linen remains. By weighing the sample, both before and after, the exact proportion of each may be discovered.

Mercerized Cotton. The mercerized finish is produced through a treatment of caustic soda. It is sometimes sold as artificial silk because of the similarity. The manufacturing processes of the two products are altogether different. The solution of caustic soda used in mercerized cotton would dissolve artificial silk. The simplest test is to wet the fibers; artificial silk will lose most of its strength, while mercerized cotton will not be affected by the moisture.

Quality of Fiber. The strength and quality of a fiber may be determined by unraveling yarn drawn from a fabric. Long, healthy fibers are, of course, much stronger than shortened and weakened ones. Cotton fibers range from three-quarters of an inch to one and three-quarters; wool fibers may vary one to three inches in length; linen about eighteen inches; and silk in one continuous thread, as whenever one cocoon thread breaks (in the reeling) or becomes exhausted, another is twisted around the end of the running-thread and it becomes a component. After pulling a few threads in each direction (both the warp and woof), and making an examination of these under the glass, it is possible to determine not only the character of the fiber and the quality of the yarn, but also the actual weave.

Quality of Yarns. Cloths may be made from either one-, two-, or three-ply yarns (when two or more single yarns are twisted together they make ply yarns). A ply yarn is more durable and stronger than either the single yarn or the carded yarns. Long fibers are combed and made up into worsted

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yarns. The fibers lie parallel. The shorter fibers are carded and are used in making woolens. The fibers run in every direction. These same weaves may be noted in both the cotton and the silk. It stands to reason that the highest grade silks are made from several strands of cocoon silk which have been combed out parallel, and the poorest qualities from the waste and short strands in the same manner as the woolen.

Quality of Fabric. The closeness and firmness of the weave, as well as the quality of yarn used, denote the quality of the fabric. Weightings and fillings, such as starch, can be added so as to make the material appear heavier, but at the same time they cheapen the quality. Holding the fabric to the light, or rubbing it together, will soon show whether weighting or filling has been used. Tearing will cause dust to fly from the weighted materials. The firmness may be ascertained by pulling the thumb and forefinger down the weave.

"Counts." One of the tests of the quality of a piece of material is made by counting the threads per inch under a magnifying-glass. This is specially applicable to domestics, percales, gingham, and other similar material. In general, the higher the "count" the better the quality and the more durable the material.

As an illustration the following figures will give an estimate of the average "counts" found in various materials:

Nainsook.....	80x104
Persian lawn.....	120x132
Percale.....	68x80
Apron gingham.....	48x56
Gingham.....	80x84
Cotton pongee.....	80x96
Domestics.....	76x84
Cotton sheeting.....	68x80
Handkerchief linen.....	84x84
Unbleached embroidery linen.....	28x28
Table damask.....	60x72

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These figures have been obtained through the actual count of various qualities of stock material, and will serve a buyer as a guide. Percales, for example, will run from 64x68 (inexpensive grades) to 80x80 (better quality).

Furs. Another good example of the methods of testing for quality, but by radically different methods, is found in connection with the buying of furs. The fur expert can pick up a piece of fur—before manufacturing—and tell the very region where the animal was trapped, and at what time of the year the trapping was done. The farther north the animal is trapped the heavier and thicker will be the quality of the hair and the lighter in weight will be the skin. A prime Southern-caught skin may be superior in color to a Northern pelt caught out of season, though no Southern skin at its best can compare with the Northern caught in its prime. Western and Southwestern skunk skins are usually more brownish in color and coarser-haired than those from Northern districts. Most fur-bearing animals live in holes in the ground, and when caught out of season (November 15th to January 15th) the animal either has not grown its winter coat or it has worn off most of the guard-hairs going in and out of its hair. The pelts trapped before the season have stiff and bristly hair and very little under-fur.

Classes of Furs. Broadly speaking, furs may be divided into general classes. The first division distinguishes the texture of the fur, while the second distinguishes the treatment of finishing of the fur.

Short-haired Furs. The short-haired furs are distinguished in quality by the fullness (amount of hair per inch), depth and texture of the fur, and (with fur-bearing animals having guard-hair) the amount and quality of the guard-hair. Among these may be found the British Columbia mink, Northern mink, Japanese mink, otter, beaver, kolon-

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sky, Persian lamb, broad-tail, muskrat, and others. The lack of this under-fur is a serious fault with such skins as marmot, hare, seal, or Russian pony, because when turned in it frequently shows the pelt on the edges of a garment.

Long-haired Furs. The long-haired furs may be judged according to quality, the length, the fullness, and the texture of the hair. Among these are found the lynx, cat-lynx, fox (American, cross, black, red, etc.), wolf, dog, raccoon, opossum, skunk, fisher, wolverine, bear, goat, stone-marten, and others.

Dyed and Natural. The second division of furs may be classed as the dyed and the natural. The better qualities and more perfect skins are usually made up in their natural state; while the poorer qualities, less perfect skins, and off-colored skins may be dyed, in which case the entire skin is dipped in the dye; or blended, which is done by dipping only the hair in the dye; or topped, which means brushing the tips of the hair. The natural furs may be distinguished by the softness of the pelt, the texture of the hair, and the color.

Leather. The length of the pelt has much to do with the texture and quality of the fur. The fur with the strong leather usually has hair that is very delicate and which will wear off very easily; while the more tender the leather the more durable the hair. The defects in the dressing may also be detected in the leather. Stiff skins, lumpy pelts, or brittle spots are caused when the pelt is not properly dressed or has been caught out of season. Frequently skins such as beaver are dressed so as to leave some fat on the pelt. This fat is cooked in the sun or drier, causing brittle places in the pelt. These brittle places are apt to break as soon as the fur is put into use.

To a great extent nature endeavors to protect animals by giving to the skins the color of their surroundings. The

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Russian ermine's summer coat is an agreeable brown, which changes to snowy-white in winter. The stone-marten is usually caught in stony, rocky localities. The leopard takes on the spots of light and shade of the trees among which it lives, while mink caught in the heavily timbered or swampy country is naturally darker in color than that caught in more open country. An otter, caught in the swamps of the Southern States, may have beautiful coloring, though its pelt naturally would not be so fully furred as one caught in the colder climate of the north.

Mink. This valuable fur is found in most parts of North America, and, owing to its splendid wearing qualities and rich-brown color, makes a desirable fur for the woman who wishes a rich effect in furs which will give long service. The mink is divided into four different grades, namely, Southern, Central, Eastern, and Northern. Southern skins are quite flat, not of good color, and quite stiff and coarse in hair. Central skins are much of the same order as the Southern, but they are slightly better in quality. Eastern skins are of a very fine quality, the pelts being quite small, but dark and rich in texture. While these skins are quite expensive, owing to the softness and silkiness of the fur, its wearing qualities are not quite so good as that of the Northern. The Northern skins are the ones more commonly used in this country. The pelts are quite large, of good color, very heavily furred, and excellent in wearing quality.

All minks, regardless of species or locality, are graded into four qualities, from one, the best, to four. The grades are determined by the quality, weight, depth of hair, and color. The darker are the more expensive. The younger skins are softer and more valuable than the older. The closeness of texture, softness or pliability, and color give some idea as to the valuation. Many furriers gauge the thickness of the fur by blowing into the pelt. The number of blistering hairs

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is also used as a distinguishing mark. The mink has short-haired fur, and is usually seen in its natural state. During recent years, however, some few blended minks are being seen in the market.

The number of skins used in the making must also be considered in gauging the value. Clever cutters are capable of cutting one skin, dividing the strips, and matching it up so as to make it look like two skins. Frequently, four-skinned muffs have every appearance of six-skinned.

Japanese Mink. The Japanese mink is a species found in Japan, Manchuria, and Korea. Being a pale yellow in the natural color, it is usually blended to a deep, rich brown, with a darker stripe (to imitate the American mink). While the original process of dyeing turned out a dark-finished skin, the new one turns out a much lighter skin, about the color of the Northern mink. The finishing and dyeing, of course, have as much to do with the quality as the texture and fullness of the hair.

Muskrat. The muskrat is a short-haired fur, and may be seen in the natural, dyed, and blended. It is taken from the water-rat of the same name, found in the marshy places of this country. The fur is one of the most commonly used, being considered most satisfactory because of wearing qualities. It is used for small-piece furs, and for lining or trimming of wearing apparel for men and women. Below are found the principal kinds of muskrat, with their uses:

Northern	{	Fall	{ Used for the making of lower-grade coats and sets.
	{	Winter	{ Used for making better grades of natural muskrat sets and garments.
	{	Spring	{ Used to make the better grades of seal-dyed muskrat.

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Southern	{	Fall and Winter	{	Used for making better grades of natural Southern muskrat garments, cheaper seal-dyed muskrat.
	{	Spring	{	Used for making cheaper linings in men's coats and other garments.

These may be further divided into the grades, poor, medium, good, and extra. The grades are determined by the general appearance of the pelts and fur, and by the weight of the hair or the amount of fur per square inch.

Hudson Seal. Hudson seal, the principal substitute for Alaska seal, is a treated muskrat dyed. There are three distinct operations in the process of the treatment, namely, plucking, shearing, and dyeing, in the same manner as the real seal. The value of the Hudson seal depends almost entirely upon the skill used in the treating, the French process being superior to any other. In some cases the finished article is so like the genuine Alaska seal that even good judges are puzzled.

The Hudson seal may be classed in the following grades: fair, medium, good, and extra, the grade depending upon the amount of fur per inch, or thickness, the general appearance, the color, and gloss, as well as the softness of the finished article. The under color, which may be determined by blowing into the fur, ranges from a reddish mahogany to a deep, rich brown, while the surface presents a rich, glossy black. The luster depends on the quality of fur, dyeing, and workmanship.

Some unscrupulous workers make a practice of buying the clippings from skins used by the first-class houses and making them up into scarfs and muffs. These, of course, are much inferior to the pieces made from the larger skins. Some of the poorer qualities of Hudson show the pale coloring at the root, while some few present a black appearance.

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Others are very thin in hair and heavy in the leather properties.

Beaver. The beaver is a short-haired fur, usually seen in its natural state. As it comes from the animal the fur is one of the most unsightly used for fur purposes. This is due entirely to the long and coarse guard-hair it wears. After the guard-hair is plucked from the pelt, a very fine coating of under-fur is left, which is the beaver used for coats and sets. In very rare instances this fur is used unplucked. The better qualities, which are found in the Hudson Bay country, are of a dark, reddish-brown color, shading lighter toward the sides, with a dense, short, velvety fur. Unlike the land animals, the beaver pelt is better when trapped late in the winter. The amount of exercise in cold water has a tendency to put the fur in the best possible condition. The hair is slightly longer than the otter. Inferior skins are taken from Montana and North Dakota, the fur not being as heavy or as thick as the Hudson Bay, and a trifle lighter in color. More guard-hairs, which are plucked, are found with this species than with the Hudson Bay.

The beaver is graded according to the amount of fur, the thickness, and the quality. The greasy appearance is no detriment to the quality, as it may be taken out by using hot sand or sawdust.

Coney. The coney, a species of European rabbit, is one of the short-haired furs which may be seen in both the dyed and the natural state. It is the cheapest of fur used for fur purposes, and one of the poorest in wearing quality; although fairly strong in leather, it is not very durable in hair. The natural colors are white, gray, and mottled.

The animal is a native of France, Belgium, and Australia, and is very similar to the American rabbit. The French coney has longer hair, sometimes being used to imitate the

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lynx. It presents a silkier and more lustrous appearance than any of the others.

The coney is divided into four grades, numbered first, second, third, and fourth, in order of quality. It may be graded by the quality and weight of the hair, the amount of fur per inch, as well as according to various ways of making and finishing.

Near Seal and Electric Seal. The near seal, which is sometimes sold for the more costly Hudson, and the electric seal, are made from the French and Belgian coneys. They are clipped and finished in the same way as the Hudson seal, and graded in the same way. The electric, however, is clipped longer than the near seal, but the same carefulness is not used in the matching. Consequently it is the less expensive.

Raccoon. The best raccoon skins come from the colder sections of this country, such as Wisconsin, Michigan, and Illinois. This fur is used both in the natural and in the dyed, to imitate fisher, marten, and other long-haired furs. It is very durable and is used for practically all purposes.

The raccoon furs are graded according to the section of the country from which they are taken, namely, Northern, Central, Southwestern, and Southern. The Northern fur, having a dense under-fur of deep and soft texture and a long, shaded guard-hair, is the best quality, and is used in the making of the better grade garments, scarfs, and muffs. The Central skin, the second in quality, possesses a good quality of hair. While not as heavy as the Northern, it has a very dark color. The Southwestern and Southern skins are of a rather shaggy type, the fur being thin and quite coarse, and the leather heavier and more firm. Thickness and depth of the fur, together with the quality, are excellent indications of the class to which it belongs. The best quality has the stronger contrast of light and dark tones. The better grades, in pale colors, are frequently dyed black or brown.

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Skunk. The skunk, usually sold as black marten, is used both in its natural state and dyed. It is one of the long-haired furs and is very durable. Northern skins are, of course, better, as the fur is much thicker and of a softer texture. The skunk, having two broad stripes of white down its back, in the raw skin is graded according to the absence of white. The less white the better the pelt. The better grades have long, fluffy, rich, lustrous fur, which is neither black nor brown, presenting a smoky appearance. In the finished pieces of this grade the two white parallel lines are cut out, leaving the skin of a uniform color.

The inferior grades are usually dyed black or brown. Either they are too coarse or shaggy in appearance (having been caught out of season) or possess too much white to permit the waste of cutting out.

There are various grades of the skunk in its finished state. The better grade is indicated by length and quality of hair, and by color. The poorer qualities are thinner in fur and lack the texture or softness of the first quality. Practically all, however, have the guard-hairs which are so essential in the wearing qualities. A still poorer quality consist of the white fur which was cut out of the better skins, and which has been dyed and made up.

Lynx. Lynx is a long-haired fur and is usually found dyed black, although it is sometimes sold in natural sets. It is one of the most perishable as well as one of the most costly of generally used furs. The finished lynx may be distinguished from the fox by the lack of dense under-fur, and by its natural silkiness and gloss, as well as by the presence of the long belly hairs.

In the natural state, the clear, dark skins, soft and long-haired in texture, are the better quality. Few of this quality are dyed. The inferior skins are dyed, as they do not have the appearance necessary for natural. The better quality

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of the hair is found on the belly of the animal, this being much longer and silkier than any other.

There are five to six grades of lynx on the market. The length, silkiness, and fullness of fur, together with the thinness of the pelt, denote the quality.

Fox. This animal is a native of all the countries of the globe, but the American fox is the finest. There are numerous species of the fox, such as red, cross, gray, silver, natural black, natural blue, and white. The red is the more commonly used, and from this are made, by dyeing, the black, taupe, pointed, "Isabella," and others. White is also dyed into blue and other lighter colors.

The fox is a long-haired fur and is finished in both the natural and dyed. It closely resembles the more expensive lynx, and is frequently mistaken. Fox skins are usually taped—*i.e.*, small strips of leather sewed between alternately. These strips do not show, but increase the width of the fur and give it a more fluffy appearance.

There are so many different species of fox, and so many qualities of each, that it will be impossible to define each in the given space. Practically all grades are judged in the same method as other long-haired furs. The finer, more silky texture, thicker-furred and thinner skins are Northern pelts and are more valuable. The better-marked and richer in color are used natural, while the off-colored are dyed. The size of the skins is also a factor in the valuation.

The natural black fox is very rare. It is a very rich fur, and a single skin is worth from three hundred to fifteen hundred dollars. The dyed-black fox in the finished one-piece scarf is worth from ten to fifty dollars. The silver and blue fox are also rare and correspondingly expensive.

Wearing Quality of Furs. It is almost impossible to state

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just how long a piece of fur will wear, as no two skins of a given kind are exactly alike in texture; again, no two people will wear a fur in the same way. One woman may wear a Hudson-seal coat fifteen years, while another woman might have trouble making it wear more than two years. Generally speaking, furs in their natural color are stronger and more durable than those having been dyed. Below will be found a list showing, approximately, the wearing qualities and durability of the various furs. This list is compiled with otter as a basis, marked 100 per cent. in durability. Wolf is one-half as durable as otter. Hudson seal is one-half as durable as wolf.

Otter	100%
Mink	85%
Beaver	80%
Skunk (natural)	75%
Opossum	69%
Fitch	67%
Skunk (dyed)	66%
Raccoon	65%
Persian lamb	65%
Muskrat (natural)	65%
Badger	60%
Wallaby	55%
Civet cat	53%
Alaska seal	50%
Kolinsky	50%
Wolf	50%
Astrakhan	45%
Red fox (other naturals)	40%
Pony	32%
Lynx (coarser)	30%
Ermine	25%
Hudson seal	25%
Russian sable	25%
Lynx (extra fine)	20%
Coney	20%
Seal-dyed Coney	19%

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Buying Furs. For buying purposes the fur department should be completely divorced from the textile ready-to-wear. A much higher percentage of value of labor enters into the make-up of furs than into cloth garments, which automatically increase in price as the season advances. Comparatively cheap labor early in the season becomes high priced later on. The best results can only be obtained from skilful workers, who naturally do their best work when not too badly rushed, and who have abundance of daylight to match properly the skins for quality and color. Furs should, therefore, always be bought early enough to permit manufacturing before the rush fall season commences. This, of course, may not be possible in every case, as some of the extreme novelties may not be produced until later in the season. Change of style in ladies' cloth garments may have a bearing also on what will be worn in furs, but the more staple numbers, articles that every fur department is sure to require, should be ordered in ample time to give the manufacturer an opportunity of putting into them his most skilful labor.

Almost equally important is the necessity of buying furs of reputable houses, who will make good any article that proves defective, and who have the reputation for turning out reliable merchandise. As far as possible, it is wise to have a salesman wait on you who is conversant with the locality in which you are doing business. A salesman may be perfectly honest in his statement that the article he is showing has been a good seller, when that might not prove true in the locality where the merchant's business is located.

The buyer must always bear in mind that his customer in purchasing a single article will scrutinize and test it more carefully in the single piece than he has done. General ap-

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pearance appeals to him, while details count for more in the sale to the customer. Good designers', pattern-cutters', and skilful fur-workers' services cannot be bought cheaply, and whenever anything of unusual value is offered "there's a reason."

Groceries. In buying, the retail grocer either is called upon to stock advertised package brands or to make his selection of such bulk goods, including fruits or vegetables, as the market affords. The old days are past when he selected most merchandise by sample, needing a fine understanding as to quality. In its place a simple laying in of those brands demanded by the consumer has replaced the old system. This change has in a great measure added to the cost of commodities. However, this is not necessarily so to an uneconomical degree, for the average retailer has developed from the inexperienced ranks, and, therefore, is not a person that would be able to make a selection based upon knowledge.

Aside from such fruits and vegetables as the market offers, his buying by selection as to quality depends only upon a few lines of bulk goods, such as cereals, rice, barley, tapioca, etc. And even these are continually being added to the brand lines until in the near future all goods handled will merely be designated by label.

Some of the lines that used to test the retailer's intelligence most, such as coffee, tea, butter, and eggs, are now also added to the brand list, and to-day he merely sells such brands of can or package coffee and tea as demanded. The advertised brick-butter and carton eggs replacing bulk goods.

Coffee and Tea. The merchant who wishes to select bulk coffees and teas upon quality must positively be able to select them for their cup values, their general appearance, and later their acknowledged satisfaction given the con-

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sumer. It is peremptory in the handling of coffees that stocks shall be renewed as often as possible to avoid the beans from becoming tough, for the sooner the coffee is ground and consumed after the bean is roasted the greater the satisfaction given. Contrarily, teas may be stocked for an indefinite time; however, both coffee and tea must be stored in containers that are free from contamination with foreign odors, especially soap, cheese, herring, and kerosene.

Since the qualities of goods are generally determined by the palatable satisfaction given, a good buyer must have a fine sense of taste because it demands a keen judgment to tell the difference between various grades. The tastes of various communities differ upon these commodities; one class will demand strong coffees and teas, while others may desire just the opposite. The same applies to butter, cheese, and similar products.

Fresh Fruits. These are tested entirely by appearance and lusciousness, adding thereto a third quality, that of the keeping quality. Fresh vegetables are generally judged by their appearance and quality for cooking.

Canned Goods. Almost all canned goods that are in general demand consist of advertised brands, yet there still remains an avenue for a discriminating buyer to select qualities which he may offer his trade at a more advantageous price, side by side with well-advertised brands. Canned goods in general offer a guarantee of sanitary production (as well as comparative quality), for unless packed properly they will not keep, while those packed in the modern sanitary way will keep indefinitely. Canned fruit and vegetables which had passed through a fire twenty years after their date of packing showed, upon cutting (although the labels had been singed), no deterioration whatever.

Canned Fruits. These are mainly judged as to size,

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mellowness, flavor, color of fruit, and consistency of syrup. Should they lack these qualities they are of a lower trade value.

Canned Vegetables. The various kinds of canned vegetables are judged as to tenderness, flavor, color, and clearness of liquor.

Corn. This should be of uniform kernel, sweet, and free from foreign substances, such as cob-particles added by close cutting.

Tomatoes. Their value is determined by size, solidity, and color, which, in other words, would determine their ripeness.

Peas. Peas are graded as to size, tenderness, flavor, and clearness of liquid. The smaller varieties are of the highest grade.

Baked Beans. These are valued for flavor and tenderness.

String-beans. String-beans of good quality should be tender, free of strings, and uniformly small.

Canned Fish. These, such as salmon, are valued for color, flavor, and oily consistency of the liquor.

Dried Fruits. Dried fruits, such as prunes, peaches, apricots, etc., must show size and flavor.

Cereals. Rice is selected upon size of kernel, color, and cooking quality.

The following table is inserted to show that flavor and size are main determining values of food products.

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	Flavor	Color	Size	Mellow- ness	Quality of Liquid	Cooking Value
Butter	X	X				
Cheese	X	X		X		
Coffee	X		X			X
Dried fruits	X		X			X
Fish, Canned Salmon	X	X		X	X	
Fruit, canned	X		X	X	X	
Fruit, fresh	X		X	X		
Rice			X			X
Tea	X	X				X
Vegetables, Canned Corn	X		X		X	
“ Baked Beans	X		X			
“ String-beans	X		X			
“ Peas	X		X		X	
“ Tomatoes	X		X		X	

These are the most important exceptions, for, as stated above, the average commodities handled by the grocer of to-day are of advertised reputation in the purchase of which the retailer has no selection. This is evident regarding baking-powder, breakfast foods, flour, condiments, chocolate, cocoa extracts, sardines, and a multitude of other commodities for which there is a general demand. Even in the

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various lines of sundry goods, such as brooms, brushes, blacking, etc., some established brands are the acknowledged sellers.

The advent of package goods marks an evolution of the grocery business. The character of average grocery-stores has become more that of specialized venders of foods, because many of the sundry goods, such as clothes-baskets, wash-tubs, clothes-pins, clothes-lines, etc., are gradually being dropped from the regular grocer's list and are now being sold by variety or department stores.

Tests for Other Lines. In a similar way tests for qualities are made in other lines of merchandise. It is obviously impossible to outline the standards and tests for every kind of goods, and accordingly these three, textiles, furs, and groceries, are given as representative. Similar data on every type of merchandise can be obtained, though not always readily or in published form.

VII

BUYING FOR SPECIAL SALES AND HOLIDAYS

THE finding and buying of special merchandise for sales is one of the most difficult problems which confront a buyer. A full knowledge of market conditions and merchandise values must be had in order that he may realize when he is picking up suitable merchandise correctly priced. Any ordinary clerk could pick good values, a bit out of style, under price, if the manufacturer or distributor were anxious enough to rid himself of it; or buy good merchandise and pay too high a price for it. But the good buyer must find the special values and not get "stickers."

Clubbing the Salesman. A well-known writer, author of a book on merchandizing, gives his idea of buying for special sales: "It is just as easy to get some concession on every order turned over to a salesman as it is to give an order to every salesman who shows his merchandise. Look the line through, pick out what is wanted and have the salesman make out the order—so that there can be no chance of his attempting to change the quoted price. Then put a straight proposition to him by explaining that some special merchandise must be had for some special sale which is to be offered at a certain time. If he expects to have your signature on the order, he must also take your order for an additional two hundred \$1.35 wash-boilers at 90 cents, and five hundred pieces of the 32-cent graniteware at 22 cents. This special order is not to have anything to do with the

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regular order, which is to be given at original quoted prices; it will also have nothing to do with future reorders. In other words, it is to be a donation, pure and simple, to help out with the coming season's business.

"Should there be any hesitancy on the part of the salesman, simply let him understand that whoever gets the order will have to comply with this special request. Furthermore, the special merchandise will have to be delivered before regular goods, and should it not arrive on time and not come up to sample the regular order is to be canceled."

The writer goes on to explain how this plan may be used with success on all salesmen visiting the house and what surprising possibilities are in the plan. He fails, however, to take into consideration that every salesman must call on these same buyers again, and that after his first encounter both he and his house will be familiar with this merchant's way of doing business. Not only that, but this salesman will tell representatives of other houses what kind of a buyer they will have to deal with when they call on this merchant. Prices will be boosted so as to allow for the necessary cut, and all salesmen will delight in taking advantage of such a buyer. The plan might work if the merchant could find a new house to do business with each time he needed merchandise, and if salesmen did not spread such information. This merchant would eventually pay the long price or close up shop.

"Jobs." Many articles have appeared in the various trade journals about the right and the wrong way of handling "jobs." Some of the writers are of the opinion that all "jobs" are profitable; while others advocate letting them alone because they are money-losers. The buying, however, will determine whether money is to be made or lost. It requires special study and forethought.

First of all, a buyer must remember that all "jobs" cannot

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be sold at the marked price. A portion is sold at the first marked price, and when the selling slows up the lot is reduced. Usually one-half of the special purchase sells at the first price, one-quarter at the second, one-eighth at the third, and one-eighth at the fourth price. In considering the "job," the buyer should remember that 100 per cent. profit must be made on the entire lot. For example, a "job" of graniteware being considered, one-half of the lot will retail at 35 cents, one-quarter at 25 cents, one-eighth at 20 cents, and one-eighth at 15 cents, making an average retail price of 29 cents. This merchandise should not cost more than 14½ cents per piece.

The next thing to consider is to make sure that the merchandise can be sold at the right time. There is a psychological moment for the offering of all lines. Hot-weather lines cannot be sold to the best advantage in winter weather, nor can winter goods be sold in the summer months. "Dead merchandise," goods that are out of style, cannot be sold advantageously, regardless of how they are priced. For example, four years ago cotton ratines were unusually good. Many small buyers bought as many as ten pieces of a color to retail as high as \$3 per yard. The following season this merchandise was "dead." Manufacturers were willing to close out at any price. One merchant, because the price was low, bought twenty pieces priced at 32 cents per yard. But he failed to close the lot out at an average price of 20 cents.

Another necessary condition in the handling of "jobs" is to make sure that a sale is started with proper vim and "go." The salespeople must be kept enthused to the highest possible pitch, and the sale must not be allowed to drag. Either put the merchandise out of the way for a while or cut the price so that the customer will be anxious to buy it.

Finding "Jobs." All manufacturers and jobbers have

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broken lines of merchandise which they want to unload. The shrewd buyer who is in the market for special-sale merchandise can pick up all kinds of suitable lines. For instance, a year ago a Wisconsin merchant wanted to find something to help build trade in his millinery department. During July several houses were found with broken lines of Panamas. One house sold ten dozen, all it had in stock, varying in price from \$12 to \$36 per dozen, at \$10 a dozen. The merchant, having made a study of market conditions, knew that their season (wholesale) was practically over, and that attention was being given to fall merchandise. These hats were retailed at from \$1.25 to \$3.50, and twenty-five dozen were sold in about three weeks' time. The customers received extraordinary values, and the merchant cashed in on his initiative and knowledge.

This same buyer makes a practice of keeping a more complete stock of handkerchiefs, at a lower price, than any of his competitors. His method is to purchase complete lines, at regular prices, and take all the close-outs the salesmen can offer. Many lots of "irregulars," fifty dozen to the lot, have been purchased at a time at a price low enough to justify their sale at a uniform price of 12½ cents. In the list there would be many handkerchiefs of 25-cent and 35-cent value, and all are marked according to actual relative value, so as to make the profit on the first lot sold. As soon as the sale begins to drag, all remaining goods are marked at prices that will insure sale.

Broken lines may be found in ribbons, piece goods, staples, furniture, hardware, and all other lines. But, as a rule, they are only offered in quantities out of reach of the average small merchant. The jobbers and manufacturers, and their salesmen, strive to interest the larger customer with any special they may have to throw out, because it has a tendency to insure their business on regular lines. Some of the smaller

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merchants, however, have found co-operative buying a successful way to handle specials and jobs.

Sample Lines. Salesmen's sample lines may be had at the close of the road season, which is about the middle of the retailer's season, at from $33\frac{1}{3}$ to 50 per cent. discount from the original wholesale price. Some of these lines are clean and well kept, being equally as good as fresh merchandise. Other lines, being slightly soiled, may be cleaned and brightened up.

How Competitor Offers Same Material and Style of Garment for Less Money. Frequently, especially in women's tailored suits, after careful buying, it is found that a competitor has apparently the same garment to offer for less money. The buyer is at a loss to know just how it was done. Customers explain that the competitor's material and style are identically the same, and that the garment is priced \$7 to \$10 less than the garment being shown.

In all markets offering men's, women's, or children's wear there are houses making a specialty of turning out a certain grade of work. The better houses turn out the best tailoring, and use the highest quality of findings and trimmings. Other houses may be equally as good on the workmanship, but the trimmings, findings, and linings are of inferior quality. Still another house may employ the cheapest kind of labor, turning out inferior work. In this way it may turn out a suit resembling the one turned out by the best house, although costing much less money.

In every city or town there are merchants who make a practice of buying merchandise from cheaper manufacturers, and advertising that their merchandise is the same as that of their competitors in quality for less money. These merchants may appear to succeed in the deception. Their method of doing business is hazardous, however, for any merchant who is anxious to build a successful busi-

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ness and who expects his business to last any time in one location.

Leaders for Clearance Sales. In holding clearance sales the most important consideration, next in importance to the actual procuring of the merchandise, is to determine the reason why the sale is to be held. In order to advertise this reason, as well as to sweeten up a stock, some few leaders are usually purchased to mingle with the regular stock.

These leaders may have been purchased as a "job" from some manufacturing company or jobbing-house, or they may have been purchased in a regular way. Many buyers make a practice of buying regular merchandise to use as leaders. The commodity is purchased in larger quantities, marked as close as possible, cutting the profit to the minimum. Some concerns make a practice of selling these leaders at actual loss to advertise the sale. Some of the larger city department stores select for these leaders some line of branded goods, because it gives to customers the assurance that a real sale is in progress. The result is that an increased volume of business is procured, much of the regular merchandise is moved, and many new friends and customers are made for the store.

Monthly Concentration Sale. A merchant in southern Ohio features what he terms a "monthly concentration sale." The first day of each month, usually three months ahead of the time appointed, the merchant and his salespeople meet, plan a sale to be carried on during the period in question and decide what commodity is to be pushed. As soon as the commodity has been selected the merchant begins feeling around for the right article at the right price. Samples are requested from numerous manufacturers, in order that a comparison for quality may be made and quantity prices are secured. The best value for the least

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money is secured, and quantity prices, as well as all discounts, are taken advantage of.

This merchant's experience is that right buying is one-half of the success of the sale. By having samples submitted he is enabled to judge what is best suited for his trade and to select the best value. He knows that a big display makes for good advertising and gives the public confidence in the success of the sale. His method of marking the commodity at the least possible sale price makes it hard for his customers to resist buying and increases his volume of business materially. The same method may be used in the buying of any kind of merchandise for different sales.

Special Requests. A Chicago woman, who moved to Eau Claire, Wisconsin, recently went shopping for her first time in the city. She visited all the stores in search of a certain brand of embroidery floss she had been accustomed to using. Not one of the stores had the floss or offered to get it for her, with one exception. Here her name was taken and entered, together with the kind, color, and size of the floss desired, in the want-book. Six days later, when the article was received, the customer received a telephone-message announcing the fact. The customer spent six cents for floss and forty-five dollars in the ready-to-wear department.

The want-book method offers the only systematic way to keep an up-to-date, complete stock. Each time a call is received for any commodity not in stock the salesperson should enter the want, together with all necessary information. Many stores make a practice of using the want-book system and holding each department down to the least possible investment. Even the larger city department stores have found it impossible to do without the want-book in keeping stocks up to the standard. Stock-keepers, whose efforts are given mainly to reserve stocks, are instructed to enter all articles in want-books when the stock on hand

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reaches a certain minimum. This allows time for new stock to reach the store before the stock on hand is cleared out. Some stores go further by making use of the want-book in keeping a record of the number of lost sales during the day. The books are gathered from each department three times a week, and the buyer makes note of the merchandise wanted and the quantity desired.

Holiday Buying. Christmas buying is usually done many months in advance. All lines are more complete at this time and merchandise is priced more advantageously. Stock-sheets for merchandise purchased the season before are usually used to furnish a guide for the amounts, adding enough only to take care of the estimated natural increase.

The actual selection of holiday merchandise is handled much in the same way as the selection of regular merchandise. The buyer keeps in mind the fact that the Christmas spirit moves many people to buy merchandise that they would not think of purchasing during any other period of the year. The appearance of the merchandise is usually of more importance than its actual valuation. Care should be exercised to select merchandise which will appeal to the average shopper for holiday gifts, and particularly merchandise which will appeal to children, which will make them open their eyes with delight and fill them with a desire to possess. Every class of purchaser and all ages should be considered and kept in mind while the selecting is being done.

Delivery should be made not later than November 10th, and all merchandise should be marked ready for stock as soon as possible. Plans should be drawn up as soon as merchandise has been selected. The Christmas opening should be held the Saturday after Thanksgiving. Every effort should be made from that time on to have the store present a different atmosphere and make it breathe the Christmas spirit.



VIII

BUYING TO MEET COMPETITION

The Value of Competition. Most buyers have learned the truth in the old maxim, "Healthy competition is the life of business." Because of it business methods during the past fifty years have been revolutionized. Where competition is lacking there are apt to be lazy business methods. In the old days the storekeeper thought that price was the most important thing in his business. Competition, however, has forced the merchant of to-day to realize that progressive methods in buying and selling, and service to the customers, are of more importance than price, in many lines, and of equal importance in others. So important is the question of meeting competition that many of the larger stores maintain expensive departments for the sole purpose of keeping themselves posted with regard to what competitors are selling, and how the values given compare with their own merchandise. Such precautions may be taken by the smaller stores on a smaller scale. Newspapers give much information. The gossip of shoppers throws light on the subject. Windows may be watched and actual merchandise compared for value. The successful merchant should know what his competitor is doing at all times. The idea is not to undersell the competitor, but to furnish equal values and to give better service for the same money. Few buyers can resist the temptation "to beat the other fellow" in values. But

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such a policy may lead to a cheapening of the merchandise, and it is extremely difficult to get back the better trade after handling cheaper grades. Again, such methods may easily bring on a "price war," with the consequent loss in profits.

"Friend" Competitor. The Retail Grocers' Association of Fond du Lac, Wisconsin, which holds a regular bi-weekly business meeting in one or another of the member stores, makes it a point to discuss various business questions common to all. Modern business methods, and particularly the problems of buying, are discussed, for general improvement in methods helps each merchant individually. Each one realizes that friendly competition is the only kind to be tolerated, and that it must be built upon a basis of straightforward dealing to each other.

This idea of being mutually helpful may be contrasted with the situation in another town, not far distant, where there are some twelve or more merchants in the same line of business, who do everything possible to hurt one another. For example, recently a customer, after buying an overcoat of one merchant, went across the street to another clothier to get a cap, as the first merchant had none in stock to please him. The second clothier, on greeting the customer and finding what was desired, asked, "What did you pay for that coat you are wearing?" The customer replied that the coat cost fifteen dollars. Immediately the merchant said, "I could have given you the same coat at twelve dollars." Very likely the competitor whose sale he was trying to spoil would have done the same to him. Not one of the merchants in town has a good word for a competitor, and as a result the whole retail situation is demoralized.

These two illustrations are given to show the contrast between co-operation and cutthroat competition. In the one case, all retailers are banded together, each doing a

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profitable business. They suffer few losses through selling merchandise to "deadbeats," and they all profit by the pooling of experience. In the other case, each merchant is trying to take a competitor's business, spending so much time doing it that he has no time to build up his own business.

"Knocking" reacts upon the person who does it. It is a recognized fact that a customer begins to lose confidence in a retailer who makes it a practice to run down his competitors. Curiosity may even induce them to see what the competitor has to offer. Competitors' attacks in this way have become a form of free advertising for the one attacked, but where all are following the same policy demoralization of the whole trade is bound to result.

Price-cutting Competition. The clothing trade in a central Wisconsin town was bothered a great deal not long since by price-cutting. One of the merchants of the town made a practice of running special sales weekly, and during these sales a considerable amount of merchandise was sold below actual cost. This was not old merchandise, but rather new goods bought direct from the manufacturer. The other clothiers held a meeting among themselves, trying to decide what steps to take to stop this undesirable competition. Finally they decided that whenever a sale was advertised each merchant would have each one of his salespeople, each member of his family, all his close friends, and any one he could rely upon to help him, buy the article offered for him in as large quantities as possible. Each merchant agreed then to place the entire purchase in his window, together with a card announcing what the articles were and their sale price, selling them for the same price as had been paid. It was soon found that the competing merchants were able to buy about one-half of the sale article, and they, in turn, were selling the commodity, at no actual expense, to show

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that they could sell equally as close as the cut-price merchant. The result was that the price-cutting merchant lost the real sale, wasted his advertising appropriation, obtained no publicity from the sale, and lost the difference between the actual cost and the sale price. He soon found it more profitable to mark his goods at a fair profit and to consider his competitors before attempting to ruin the trade in his community.

Meeting the Competition of the Large City. In every community there are people who feel they must make their purchases in a larger community than that in which they reside. Eau Claire has women who shop in Minneapolis. Minneapolis has people who do most of their shopping in Chicago. A considerable number of Chicago women do a large part of their buying in New York City. New York City has an exclusive class which shops each year abroad. The attraction of the large city usually spreads. Then, too, there is a certain fascination for women to shop in a larger city, where, of course, larger assortments may be found. Some women shop away from home in order that they may have exclusive styles, others because they believe the city stores quote lower prices. In the first instances, the home merchant deserves to lose the business if he does not buy a few exclusive styles to suit the better trade.

If a merchant in a small city carries a fair stock of the better merchandise for a particular trade, and then loses a considerable amount of business through shopping in larger cities, there are several ways in which he may overcome the loss. For instance, one merchant recently found that the greater portion of his trade was being supplied with wearing apparel by a retailer in one of the larger near-by cities. Once during each season several representatives of the city house were sent with six large trunks to the smaller city, and the selections were made in the hotel sample-rooms. Instead of

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delivering the merchandise at the time, the outside merchant shipped it the following day. There was absolutely nothing illegal in the plan, but the shrewd home merchant found a way to stop the out-of-town man from getting the business. Each time the visiting representatives came to town one of his clerks found time to visit the sample-room, see just what people were doing the buying, get descriptions and quantities, if possible, of the garments bought, and any other valuable information. Then he went to work to duplicate the garment by sending in descriptions to various manufacturers. In such a case several were bought and sold to the trade for the least possible price. The idea, of course, was to sell the garments to people such as servants, and especially colored people, whom the exclusive customer did not care to have wearing them. Usually the garments bought from the supposedly exclusive out-of-town store would be discarded.

It is easy to understand why the average rural customer believes that the city store sells merchandise for less money than a store in a smaller town if one will but study the advertising of the large store. The city store can afford to engage high-salaried advertising men who are expert in presenting to the public the bargains which the store offers. The small store is not so well equipped to exploit its bargains. Yet every store has bargains to offer, and every store should let the public know about them in the best possible way. The publicity gained through such merchandizing is the most valuable to be had. It increases the volume of business and creates a good impression for the store.

Chain-Store Competition. Notwithstanding the fact that the chain store has many advantages over the smaller retailer, there are many compensating advantages to the independent retailer. The chain stores, as a rule, are pro-

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gressive and wide-awake, generally taking advantage of every opportunity, while the majority of small-town merchants are unprogressive and incompetent. They fail to study their business, and in many cases seem to think that all they have to do in order to become successful retailers is to put the goods on the shelf.

When the chain store opens in a town the local retailer is forced to give more time to the business, and particularly to his buying methods. He must begin to study modern retail methods if he expects to cope successfully with his rival. If chain stores deserve no other credit, they are entitled to appreciation for the impetus they have given to retailing as a science.

Among the natural advantages of the chain-store method probably the hardest to compete with is that resulting from their tremendous buying power. In many instances the chain either owns large plants which make merchandise exclusively for them or at least control their entire output. In other cases the chain store, at the beginning of the year, contracts with various manufacturing plants for a certain amount of goods to be used during the year. As this merchandise is needed it is shipped direct to the various stores at a considerable saving to both the manufacturer and the retailer.

Before placing large orders for a chain of stores, samples of the commodity are sent out to the various stores, together with a blank on which a report of salability of the article is made and sent into the main office. Frequently small trial shipments are sent out and the merchandise placed on sale.

The chain's order will depend on the reports from the sale. Should a large order be placed, however, and the merchandise fail to move in any given locality, it is switched to a different section of the country to be disposed of. In this

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way there is no chance of overloading with a lot of unsalable merchandise.

One of the strongest advertisements of the chain store lies in the fact that through its expert methods of stock-keeping it is very seldom out of any commodity which should be carried in stock, and yet carries only a small stock. It is not uncommon to go into any independent store and to be told, "We are just out." Grocers have even been known to be out of certain grades of sugar, coffee, and other staples. The chain store anticipates the demand even on specialties, and then creates a desire through its displaying and pricing of the commodity.

Advantage of Independent Over Chain Stores. Although the average expense of doing business for the chain store is less than for the independent, there are many corresponding advantages for the independent merchant, and one of the most important is in connection with the buying. The local merchant is always in contact with his customers and he knows their wants. The chain-store buyer is frequently far away from the locality where the merchandise is to be sold. The independent merchant may buy his goods in small quantities and take advantage of any special purchases at a moment's notice. He may test out any commodity, and even go so far as to make use of it in his own home to make sure of its value and service-giving qualities. This advantage, coupled with the realization that he can himself use efficient chain-store methods, puts a merchant in the position where he can welcome chain-store competition.

Mail-order Competition. The past few years have seen a rapid development of the mail-order business. Two hundred and fifty thousand mail-order catalogues, from various New York and Chicago companies, were distributed in Mobile, Alabama, alone in 1916. The number distrib-

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uted in other centers was probably in similar proportion. Thousands of sales must necessarily be effected in order to take care of the enormous expense of printing and distributing these catalogues. Sears, Roebuck & Co. alone did a business of \$146,000,000 in 1916.

All this, and more, is known to merchants everywhere. Some frankly acknowledge mail-order competition. Others complain of the "illegitimate mail-order business" that is driving them to the wall. Notwithstanding these facts they make little effort to meet this competition, seemingly content to sit by, doing business just as it has been done for the last twenty years, and witnessing the increase in mail-order sales in the locality and the decrease in their own volume of business.

As a matter of fact, there are many ways of competing successfully. Merchants do not realize that they themselves are responsible for the growth of the mail-order houses. In order to meet mail-order competition it is necessary to understand clearly why the public buy from the mail-order house instead of from his local store. It is simply because they receive a better price or better service. If the mail-order house can give better prices than the local store, it is because it can buy more closely, do business at a smaller expense, or be satisfied with a smaller profit.

Buying Methods. In buying for a mail-order business the same principles are followed by all. With many of the larger commodities, such as furniture, stoves, trunks, and the like, the buyer goes into the market, finds a manufacturer who is willing to contract to furnish the desired quantity, according to specifications, at a certain price. Frequently cash is paid before a single article has been delivered, and the house may draw on the manufacturer for the commodity as it is needed and in the quantities desired. Some make it a practice to list commodities in the catalogue, with price and

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description, without stocking any of the goods. When orders are received from the consumer the mail-order house forwards directions to the manufacturer to ship direct to the purchaser. In this way they save the expense of handling and storing the merchandise. Much of the merchandise for sale by mail is bought from manufacturing companies who have surplus stocks on hand which must be unloaded. In a certain instance a mail-order buyer is said to have approached a manufacturer just before inventory with an offer of a small figure for several thousand dozen pens, the entire number on hand. The manufacturer refused the offer, but agreed to sell at a flat price a trifle higher than offered. After a little dickering the mail-order buyer split the difference between his offer and the manufacturer's price. This was a much lower price than that at which a regular dealer could buy the merchandise. The manufacturer saved a considerable expense in handling a number of small orders sent in by dealers, and cleaned out his entire surplus stock at one stroke. The pens were not labeled with the manufacturer's name, although they were the same quality and exactly the same styles as were sold through regular dealers and at regular prices.

Large orders are valued assets to any manufacturer. Therefore many manufacturers are willing to sacrifice some profit to secure what they term "additional business." When a buyer comes in who can place such an order there is every chance that he will get the merchandise he is looking for at the right price. The big buyer with plenty of cash at his disposal may wait his chance for bargains, but eventually he picks them up from sources not available to the smaller dealer. There are some manufacturers, however, who will not sell their products in this way or give quantity prices. If a mail-order house is forced to handle these lines from houses which refuse them inside or quantity prices, they

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frequently run them as loss leaders, selling them without making a profit and actually losing money.

In the case of one manufacturing company, it is said that, after selling a considerable quantity to a catalogue house, they found they could not continue to market their product through regular retailers, because retailers could not afford to meet the prices established by the catalogue house. When the sales-manager realized he had lost his market through regular retailers, he came back to the mail-order house and made arrangements with them to take over his entire product. Such buying methods give the mail-order house the advantage over the small local retailer. Large department stores and big users of merchandise have the same privilege and use it.

Retailer's Advantage Over the Mail-order House. In the first place, the retailer is on the ground, coming in direct contact with his trade from day to day, and being in a position to take advantage of sudden style changes and sudden opportunities to get desired merchandise on short notice, whereas the mail-order house must plan its buying from six months to a year in advance. This is one of the most effective advantages of the independent merchant.

Next, his merchandise is where it may be handled by the customer, and, through the aid of efficient salespeople, a desire for the commodities may be created. This is an important consideration in connection with buying. The mail-order house must rely on interesting the prospective customer through pictures and descriptive matter in their catalogues. Should the sale in a local store terminate in dissatisfaction, an easy and quick adjustment may be made, as the purchaser may come in personal contact with the adjuster, while with the mail-order house it necessitates the trouble of repacking and reshipping, letter-writing, and a considerable delay must result.

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Again, it is possible to prove to the local trade that they may buy from the home store, and be as well suited and satisfied as if they had bought from the mail-order house. The retailer may order a shipment of merchandise, for comparative purposes, from the catalogue houses, and display it with cards showing prices, quality, weight, time required to receive package, etc., at the same time making a display of merchandise out of the store to correspond with the mail-order merchandise. Comparative prices and qualities can readily be shown in a way to create a favorable impression for the local retailer.

Two young men who jointly owned a store in a thickly populated mail-order section of Wisconsin decided to fight the mail-order people with their own methods. Catalogues were sent for, and merchandise was ordered, received, and studied in order that they might determine just what qualities to look for in the merchandise when placing orders. Large quantities of the same character of merchandise were bought, and when received it was displayed much after the fashion of the five-and-ten-cent chain-store display. The catalogues received from the various mail-order houses were displayed all through the store, so that the customers might have no trouble in making comparisons should they so desire. The customers soon found out that they could trade more profitably in their home store, and the merchants, in turn, gave better service.

Another merchant tells of advising a customer, after the latter mentioned that he had always been well suited with merchandise ordered through the catalogue, to order the commodity from a catalogue house and have it brought direct to the store, so that it might be compared with one of the stock articles. The order was written in the store and mailed. After a wait of twenty days the article was received, heavily crated. It was brought to the store and

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opened. It had been jammed and jostled around so that it did not present the best appearance, while the stock commodity had been thoroughly cleaned and brightened up for the test. The plan worked so well that the customer bought the stock article from the store, returning the mail-order article, and developed into a steady customer.



IX

DETERMINING PRICES AND PROFITS

Profit. "What is the use of my figuring profit, mark-up, etc.? Prices in my line, both wholesale and retail, are determined, in most cases, by competition; and, in cases of branded and advertised lines, by the manufacturers." The owner of a small Wisconsin grocery-store was explaining to a young traveling-man why it was impossible for him to make more than a living out of his business. The two men had entirely different ideas about business. The one, after forty-five years spent in the harness, had given up and decided to let fate steer his ship; the other, three years of business-training to his credit, knew that success in the retail business was only won through hard, persistent, and systematic work.

The merchant of yesterday was well satisfied with a living and a small profit at the end of the year from his business. To-day, however, the successful merchant not only receives a salary for his time given to the business and a profit at the end of the year, but he receives interest on the money invested in the business. The rising cost of doing business has forced the modern merchant to a conscientious study of profit and turnover. Profit depends largely upon the buyer's merchandizing knowledge; or, putting it another way, profit is what the consumer pays for the merchant's or the buyer's merchandizing knowledge.

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There is no standard by which a buyer may work in order to gauge his profits, because buyers differ in knowledge and ability. For example, buyer Jones has the ability to find out what new commodities are on the market, and his knowledge of the market gives him the opportunity of putting these articles in stock while they are new, thus enabling him to keep a clean, new, and up-to-date stock, and to sell the merchandise at the marked prices.

"When grandfather kept store he didn't know that he had such a thing in his possession as a cost of doing business; consequently it never kept him awake at night. But grandfather was able to ask and to get a nice fat profit on every sale. He had little or no competition, and it cost him about one-half as much to run his store as it would were he in business to-day. He paid his bills when they came due, pocketed what was left, and thought of the cost of doing business as a freak idea of a lot of college professors.

"But to-day the merchant who does business without accurate figures that show him all of his costs, and the relation they bear to the sales, is working under a serious handicap. He can never be sure that he is making the profit he is planning on. He has no accurate idea of his business condition. He is guessing rather than knowing, and at least half of the time he is likely to guess wrong."¹

Figuring the cost of doing business is not difficult. In fact, it is simpler than it sounds. It is a question of keeping accurate records of every expense—rent, light, heat, salaries, supplies, delivery, and so on. Then the total expenses are figured for a certain time and compared with the total sales for the same time.

Here are a few simple suggestions for the proper figuring

¹Quoted from *Nesco News*, by permission.

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of expenses that are recommended by the National Association of Credit Men:

1. Charge interest on the net amount of your total investment at the beginning of the business year, exclusive of real estate.
2. Charge rental on all real estate or buildings owned by you and used in your business at a rate equal to that which you would receive if renting or leasing it to others.
3. Charge in addition to what you pay for hired help an amount equal to what your services would be worth to others; also treat in like manner the services of any member of your family employed in the business and not already on the regular payroll.
4. Charge depreciation on all goods carried over on which you may have to make a lower price because of changes in style damage, or any other cause.
5. Charge depreciation on building, tools, fixtures, or anything else suffering from age, wear and tear.
6. Charge amounts donated or subscriptions paid.
7. Charge all expenses, such as taxes, insurance, water, light, fuel, etc.
8. Charge all incidental expenses, such as dravage, postage, office supplies, livery, or expenses of horses and wagons, telegrams and telephone, advertising, canvassing, etc.
9. Charge losses of every character, including goods stolen or sent out and not charged, allowances made customers, bad debts, etc.
10. Charge collection expense.
11. Charge any other expense not enumerated above
12. When you have ascertained what the sum of all the foregoing items amount to, prove it by your books, and you will have your total expense for the year; then divide this figure by the total of your sales, and it will show you the per cent. which it has cost you to do business.
13. Take this per cent. and deduct it from the price of any article you have sold, then subtract from the remainder what it

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cost you (invoice price and freight), and the result will show your net profit or the loss on the article.

14. Go over the selling prices of the various articles you handle; see where you stand as to profits, then get busy in putting your selling figures on a profitable basis—and talk it over with your competitor as well.

Know Your Costs. These suggestions show that there is but one safe plan in dealing with selling costs—know your own costs, know them inside and out, upside down and backward. Make it a point to know just as much about the costs of doing business as you know about the cost of the merchandise you sell. One very satisfying thing about the study of costs is the way in which it uncovers unnecessary expenses. Often a merchant is able to save a fair sum of money by cutting out expenses that he never noticed until he got his cost figures down in black and white. But be sure to draw a sharp line between selling expense and waste. Cut out the waste, but do not economize by attempting to reduce expense necessary to the making of sales. The cash that goes to keep a neat, attractive store, an up-to-date stock, courteous and efficient clerks, to advertise your store and to keep accurate records of the business, is money well spent.

In order to make a systematic study of profit it is obviously necessary to make a study of the expense, not only as we have previously done, but to compare percentages of other stores. The expense will vary, of course, because of local conditions, the size of the city, the amount of business done, the character of the trade, or the class of merchandise sold. Accountants have made a study of this specific subject, and many articles and statistics have been published. Prominent among them are the bulletins issued by the Bureau of Business Research, Harvard University. One of their bulletins entitled, *Expenses in Operating Retail Grocery-stores*, gives the following table of percentages:

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SUMMARY TABLE OF PERCENTAGES, AND OTHER FIGURES FOR RETAIL GROCERY-STORES¹

ITEM (For Percentages, Net Sales - 100%)	Low	High	Common	Standards attained by a group of more efficient Stores
	%	%	%	%
Gross profit on merchandise. . .	14 6	27 9	21.0	....
Salaries and wages of buying force.....	0 1	2.4	0.5	....
Other buying expense	0.0	0 5	0 02	....
Total buying expense	0 1	2 4	0.5	....
Salaries and wages of sales force	3.5	10 6	6.5	5 0
Advertising.....	0 01	1 8	0 1	....
Wrappings and miscellaneous selling expense.....	0.03	1 4	0.4	0.3
Total selling expense.....	4 5	10 8	7 0	5.5
Wages of delivery force.....	0 6	3 5	1 5	1.0
Other delivery expense	0.3	3 4	1 5	1.0
Total delivery expense.....	1.1	5 9	3 0	2 5
Management and office salaries	0.3	3 8	1 5	.
Office supplies and expense... .	0 01	0 4	0 1	..
Total management expense... .	0 4	4 0	1 7	...
Rent.....	0 3	4 1	1 3	0.8
Heat, light, and power	0 1	0 8	0.2	0.15
Insurance on stock and store equipment.....	0 03	0 5	0 1	....
Taxes.....	0 01	0 5	0 1	....
Repairs and renewals of store equipment.....	0.01	1 4	0 1	....
Depreciation of store equip- ment.....	0 03	0 9	0 2	....
Total fixed charges and upkeep expense.....	0 8	5 6	2 0	1.5
Telephone.....	0 04	0 6	0 2	.. .

¹ This summary includes stores which sell groceries, and a
groceries and meats and provisions. Quoted by permission.

stores which sell both

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ITEM (For Percentages, Net Sales - 100%)	Low	High	Common	Standards attained by a group of more efficient Stores
Ice and cold storage:	%	%	%	%
Groceries only.....	0 01	0 6	0 1	0 1
Groceries and meats and pro- visions.....	0 03	0 7	0 3	0 2
Other miscellaneous expense	0 01	1 2	0 1	....
Total miscellaneous expense	0 1	1 4	0 5	0 3
Losses from bad debts.....	0 01	2 2	0 5	0 2
Total of expense statement	10 4	25 2	16 5	13 0
Net profit from merchandise operations.....	Loss 3 3	11 0	2 5-5 5	....
Interest.....	0 2	1 7	0 8	....
Number of Stock-turns a year:				
Groceries only.....	3 5	23 8	7 0	12 0
Groceries and meats and pro- visions.....	7 0	26 4	9 0	14 0
Average annual sales per sales- person.....	\$5,000	\$20,000	\$10,000	....

Gross and Net Profit. In the management of a retail store it is essential that the buyer or the manager make note that there are two distinct kinds of profit—namely, gross profit and net profit. Gross profit represents the difference between the cost price and the selling price; while net profit represents what is left after all expenses of selling have been deducted. For instance, we sell a stove which cost \$20 for \$30. The gross profit made on this transaction is the difference between \$20 and \$30, or \$10. But the cost of doing business is 20 per cent. Therefore, our net profit amounts to the difference between the \$20 and \$30 minus 20 per cent. of the sale price, the cost of doing business, which gives us 10 minus 6, 20 per cent. of \$30, or \$4 net profit.

Hart, Schaffner & Marks investigated and collected figures, showing cost and profit percentage, from retailers who handled

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their goods, for the purpose of assisting the dealer. The figures have been analyzed and the averages shown as follows:

AVERAGE PROFITS FROM CLOTHING-STORES

Average gross profit	29 1%
Average net profit	10.0%
Average of discounts	3.3%
Average gross profit when net profit is over 10%	30.9%
Average gross profit when net profit is under 10%	27.8%
Average net profit plus discounts	13 1%
Average cost of doing business	19 0%
Average rate of turnover (one inventory)	2.4%

Cost or Selling Price. In order that figures of other stores or figures of previous years may be compared with expenses, profits, etc., it is essential that the totals be reduced to percentages, and in order to arrive at any percentage it is necessary that some common base be decided upon. No merchant can derive any benefit through his work of comparing percentages when he uses the cost one time as a basis and the sale price the next time. His comparisons will amount to naught and his labors will be worse than useless; that is, of course, if the results of one be compared to those of the other.

There are a number of factors which determine whether the cost price or the sale price is used in profit computations, and it is perfectly true that either will serve if used in the right way. We are told that some progressive merchants, who thoroughly understand such matters, use both the cost and the sale price as a basis, although until recent years the cost price alone was used.

Mr. Thomas A. Fernley, in his book, *The Right Way to Figure Profits*,¹ advances the following twelve excellent reasons why the percentage of profit should be figured on the selling and not on the cost price:

First.—Because the remuneration of salespeople is figured on a certain percentage of the selling price.

¹ Quoted by permission.

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Second.—Because the percentage of conducting business is based on the sale price. No capable business man would attempt to talk percentage of profit on the cost and per cent. of expense on the selling price.

Third.—Because all taxation is based on the percentage of gross sales.

Fourth.—Because the sales totals are always given in books of record—cost totals are seldom if ever used.

Fifth.—Because a profit must be provided for the two items of capital—on the capital invested in merchandise—the other the capital necessary for operating expenses and other expenditures not properly chargeable to the merchandise account. This is only possible by figuring profit on the selling price.

Sixth.—Because it indicates correctly the amount of gross or net profit when the amount of sales is stated. The percentage of profit on the sales is indicative of character of results of the year's business—percentage of profit on the cost is not.

Seventh.—Because allowances in percentage to the customers are always based on the selling price.

Eighth.—Because no profit is made until the sale is actually effected.

Ninth.—Because nine stores in ten which do not figure on the selling price get mixed somewhere in their figures, and do not know whether or not they are going backward or forward.

Tenth.—Because the chain-store fellows and the big-store fellows, who press the retailer the hardest, do figure on the selling price.

Eleventh.—Because it puts you where a customer will not be likely to call you a robber if she learns that your percentage of profit is 20 per cent. of the selling price (25 per cent. of the cost price).

Twelfth.—Because, if you figure on the selling price, you can go to the cash drawer and say, "10 per cent. of that money is my profit," instead of having to say, "10 per cent. of the cost of the goods which I sold for this money is my profit."

Figuring Profit. One hundred per cent. of anything is all of it. If Farmer Smith had a bushel of apples and gave 100 per cent. of them to his son he would have none left. Consequently, 100 per cent. equals the sale price. Suppose this bushel of apples costs \$1, the cost of doing business is 23 per cent. and a profit of 10 per cent. is desired. Then 100 per

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cent., minus 33 per cent., the cost of doing business, plus the desired profit, equals 67 per cent., or the cost of the apples. The cost of 1 per cent. is found by dividing 67 into \$1, the cost price of the apples, which equals .149. One hundred per cent., or the sale price, is found by multiplying .149 by 100, and the sale price is found to be \$1.49.

Solution:

Let 100% equal the sale price.

23% plus 10% equals 33% the mark-up.

100 minus 33 equals 67%, or cost price.

1.00 divided by 67 equals .149, or 1% of total sale price

100% equals 100 x .149 equals \$1.49 sale price.

Pricing Merchandise. The fundamental proposition at the basis of retailing, therefore, is the pricing of merchandise. The success of every retail business depends upon the accuracy with which this is done. The antiquated method, taught the retailer by the jobber, of marking \$2.25 per dozen merchandise 25 cents; \$4.25 per dozen merchandise 50 cents; \$9 per dozen merchandise \$1, etc., regardless of what the merchandise looked like, is rapidly being discarded, and is being replaced by the system of marking the merchandise at the price which it will bring and still be worth the money. Oftentimes a 75-cent commodity will bring a better price than an article costing \$1. There is, of course, much difference between staples and novelties. The grocer would be hard put to it were he forced to sell delicate goods at the same margin of profit as sugar. He must make his profit through the sale of fancy groceries. The price must not be too high or the customers will not buy; it must not be too low or the business and those who compete with it will be destroyed. It must be just right, and to establish this correct price we must rely on the percentage basis of the previous season's business, as well as past experiences.

This price of the commodity is not necessarily its value;

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it is merely a measure of its value. The supply and the demand are great factors in the pricing of the merchandise. For instance, before the beginning of the European war a certain grade of taffeta silk cost $67\frac{1}{2}$ cents per yard, and sold for 95 cents. The season was not a good one for this particular kind of silk, and plain colors would not bring a better price. Some of the novelties, however, sold for \$1.10. The fall season of 1916, being an excellent one for this type silk, brought a heavy demand. This fact, together with the dye scarcity, caused prices to soar. This same quality, supposedly, cost \$1 and sold for \$1.35. The quality was poorer because of the increase in the price of dye materials, and the silk was weighted more heavily. Because "Dame Fashion" favored this silk the manufacturer was able to ask a higher price (true, it cost more, in proportion, to manufacture), and the customer was willing to pay a higher price for an inferior grade. The customer's want is great enough to cause her to pay the advance on the inferior article.

The average percentage of profit is not found in order that all merchandise may be marked on that basis of gross profit, but merely in order that the merchant may use the figures as a guide in determining the selling price. Each commodity, with the exception of branded articles, which must be sold at a price fixed by the manufacturer, and articles of which the price is fixed by competition, should be examined and the price fixed according to what it will bring. The shrewd buyer will often buy merchandise of exceptional valuation. Frequently \$4.50 per dozen hosiery, which would have been sold, according to the old system of marking on the cost price, 50 cents, will be exceptional value at 60 cents per pair. The efficient merchandizer knows, too, that in order to make the necessary profit, he must mark a long profit on the slow sellers and a short profit on the swifter-selling commodities.

Mark-up. When the buyer or retailer thinks of profit

86.00

MARSHALL FIELD & CO.

5/26/1935

626

WJ295

CHICAGO

THE KEPLER CO

EAU CLAIRE & SECTION

MC LEN

36 PATTON

7 ROS CUP ITAM K120-14 5

✓

322

500

4.20

3.50

1.70

500 12.20 14.20
3.50 1.70
500 12.20 14.20



THIS RECEIPT IS VALID ONLY WHEN SIGNED BY THE CASHIER OF THE STORE AND WHEN THE RECEIPT IS RETURNED TO THE STORE WITHIN 30 DAYS OF THE DATE OF ISSUANCE.

DETERMINING PRICES AND PROFITS

he must necessarily think of the mark-up, as the mark-up is the sure gauge to the profit. He knows that the merchandise costs so much in the first place, the cost of doing business amounts to a certain percentage, a certain percentage must be allowed for depreciation, and an additional percentage must be added for the profit expected. Hence the total percentage of the cost of doing business, percentage of depreciation, and percentage of profit expected must be the necessary mark-up. In other words, the mark-up is the difference between the cost and the selling price.

Figuring Percentage of Mark-up. The percentage of mark-up is obtained by subtracting the cost price from the selling price and dividing the result by the selling price—*i.e.*, when the percentage on the selling price is required. However, let it be noted that when cost percentages are desired the division is made on cost figures, and selling percentages on the selling figures. In other words, divide the result or difference between the cost and selling figures by the basis on which the percentage is desired. For example: The merchant buys a set of harness costing \$16 and marks it to sell for \$25. The difference between the cost and the selling price is \$9, and to find the mark upon selling price, 9 is divided by 25, the selling price, and the result is 36 per cent. To find the mark-up on the cost price, 9 is divided by 16, the cost price, and the result is 56 $\frac{1}{4}$ per cent. mark-up on cost.

The following chart shows a comparison of percentages based on the cost figures with those based on the selling. As a guide in establishing the prices at which the merchandise is to be sold, the buyers in some stores are furnished with these comparison cards. On these cards the relation between the per cent. of mark-up on the cost and the per cent. of mark-up on the retail is shown in the parallel vertical columns. On this we see that if we add for the profit an equal amount to

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25 per cent. of the cost we will realize a profit of only 20 per cent. of the sales figures if the goods are sold as originally marked. So, also:

33 $\frac{1}{3}$ % of the cost equals 25% of the retail.

40% of the cost equals 28.57% of the retail.

43% of the cost equals 30.07% of the retail.¹

82% of the cost equals 45.05% of the retail.

The following is a complete table of the ratios of percentages of mark-up or cost to those on selling price:

Cost	Selling	Cost	Selling	Cost	Selling	Cost	Selling
01	00.99	26	20.63	51	33.77	76	43.18
02	01.90	27	21.26	52	34.21	77	43.50
03	02.91	28	21.88	53	34.64	78	43.82
04	03.84	29	22.48	54	35.06	79	44.13
05	04.76	30	23.07	55	35.48	80	44.44
06	05.66	31	23.66	56	35.90	81	44.75
07	06.54	32	24.24	57	36.31	82	45.05
08	07.40	33	25	58	36.71	83	45.35
09	08.25	34	25.37	59	37.11	84	45.65
10	09.09	35	25.92	60	37.50	85	45.94
11	09.90	36	26.47	61	37.89	86	46.23
12	10.71	37	27	62	38.27	87	46.52
13	11.50	38	27.54	63	38.65	88	46.80
14	12.28	39	28.06	64	39.02	89	47.08
15	13.04	40	28.57	65	39.39	90	47.36
16	13.79	41	29.08	66	39.76	91	47.64
17	14.52	42	29.57	67	40.11	92	47.91
18	15.25	43	30.07	68	40.46	93	48.18
19	15.96	44	30.55	69	40.82	94	48.45
20	16 $\frac{2}{3}$	45	31.03	70	41.17	95	48.71
21	17.35	46	31.50	71	41.52	96	48.97
22	18.03	47	31.97	72	41.86	97	49.23
23	18.69	48	32.43	73	42.20	98	49.49
24	19.35	49	32.88	74	42.53	99	49.74
25	20	50	33 $\frac{1}{3}$	75	42.86	100	50



PART IV
STOCK SYSTEMS

X

THE TURNOVER

Turnover. One of the most vital considerations in retailing is the turnover. This is especially true now owing to rising costs and keen competition. The average merchant does not realize that the greatest profit is to be made from the small stock and the quick sale. Instead of buying merchandise in small quantities, and buying frequently, they tie up their capital and lose profits unnecessarily. Profits are not made on left-overs, but on turnovers. Turnovers spell profits, while carry-overs spell losses. Overbuying, in a word, means underturning, and underturning means diminished prestige, profit, and growth for the store.

A certain Wisconsin merchant who is one of the old school, and conducts his business along the lines his father practised twenty years back, recently asked this question: "What is the use of limiting stocks when I have plenty of capital to put into them?"

Finally he was persuaded to limit each department in the store, for a period of six months, to see what changes would take place. The result was that he cut a \$120,000 stock to \$110,000, and did more business. Now this merchant is greatly interested in turnover; he realizes that he is making a far better profit and doing more business with a much cleaner stock of merchandise.

A striking evidence of the advantage of effective stock

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turnover is to be found in the example of the United Cigar Stores Company's success. It is said that before this concern will choose a location for a new store it is customary to station men in close proximity to the proposed location, who take an actual physical count of the men who will pass within a given space of time. The figure gives them the number of possible customers the store can hope to appeal to with its wares. Of course, not every man who passes is a smoker. They know what portion of all men smoke, and when the total number of passers-by reaches this figure, which their experience tells them would make it possible to establish a paying store in that vicinity, a new one is opened. Contrary, however, to the practice of the department store, instead of locating at the point of greatest traffic and building a mammoth store to bring the largest possible return, they choose the busiest spots and open a store of small dimensions.

The United Cigar Stores' business is profitable because they have developed, to what is perhaps a greater efficiency than any other line of business, the principle of quick and constant stock turnover, and this, too, in a business where every item of stock carried may be said to be a staple commodity. The buyer in other lines of goods can perhaps see no connection between his interests and the interests of the cigar merchant. The experience of the small cigar-store is one which the average buyer may well consider, however. If the ratio of profit in the tobacco business is based on the frequency of stock turnover, the same principle applies to other kinds of stocks. More money is made in actual profit by speedy turnover of stock than is made in a slow-turning business of higher gross sales. To illustrate this, a store doing an annual business of \$100,000 on a capital of \$33,000 might be considered a staple proposition if it could show a net profit of 10 per cent. on the amount of business repre-

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sented. This would, in reality, be a profit of $28\frac{1}{2}$ per cent. on capital invested. But if the merchant could increase his business to \$200,000 with the same capital, he is making 57 per cent. profit on his capital.

A hardware merchant in a small town remarked that it was impossible to make any kind of stock-turn in the hardware business, because there were so many lines to be purchased in bulk, where there was practically no profit to be made. True, the merchant buys this way, but it is not necessary that he should. Take, for instance, the reserve kegs of nails kept under the counters. Some of them stay there three years, waiting for the customer who is in a hurry for a full keg of nails. They may be kept five years, or ten years. The capital tied up, the amount of space that these nails occupy, and the possible demand must be considered. Money may be made by selling nails, but the stocks must be watched and turned often. Consider the small profits to be made in the grocery business. Nails net equally as much profit as some lines of groceries, but they do not sell as readily. The successful grocer watches and works his slow-moving lines, because he knows it is not the amount of capital he has in his business but how hard he works this capital that counts.

The larger department store is forced to recognize its smaller competitor whose turnover is more rapid. In some cases the smaller store is drawing trade away from the big one because it is watching details with greater energy, its stock is smaller and cleaner, and the merchandise is sold for less money. By buying the merchandise in small quantities these stores are never forced to sell something that the customer does not want. The manufacturers and the jobbers are being forced to carry the load. The merchant can order merchandise, in most lines, as he needs it.

Suppose a merchant, with an average expense of 20 per

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cent., buys five portable houses, to be sold at \$2,000 each, costing \$1,000 each. Should he sell all of these within the first year, he will make a net profit of \$3,000. But should he fail to sell all of these houses within the year, this net profit will diminish in proportion to the time required to sell them; the houses will also decrease in valuation yearly. On the other hand, should this merchant have invested \$5,000 in millinery or groceries, the expense of selling remaining at 20 per cent., and if he sold this lot of merchandise for \$7,000, a net profit of \$600 would be realized on the transaction. If he had the ability to turn this stock ten times per year he would make a net profit of \$6,000. In the first instance a great gross profit was made, but it did not equal the net profit made in the latter case by the frequency of the turnover.

How Fast Twenty Grocery-stores Turn Their Stocks. The annual stock-turn in stores which sell groceries only has been found by the Harvard Bureau of Business Research to range from 3.5 to 23.8. The majority of stores in this class, however, have a stock-turn of from 4 to 10, averaging around 7. There are many stores which turn their stocks every month, thus making 12 turns per year. This should be taken as a standard to be aimed at by every progressive grocer.

Grocery-stores which sell meats and provisions as well as groceries have a higher average stock-turn than stores selling groceries only. This is due perhaps to the fact that the former carry more perishable goods which must be disposed of quickly. The lowest stock-turn in this class of stores is 7, the highest 26.4, averaging about 9. A small group of this class of store make 14 stock-turns per year.

Methods of Figuring Stock-turns. There is quite a difference in the method used for figuring stock-turns in various retail stores. One merchant hears another tell how many times he turns his stock and what system he uses in making

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his calculations. He immediately changes the method he has been using, regardless of the fact that it has been accurate and satisfactory to the best of his knowledge, and accepts the other man's system as being correct. The following five methods have been found in use in various stores:

1. Divide the sales for the year by the inventory, which is taken at the cost price.

2. Divide the annual sales by the supposed average inventory, which is found by adding the cost price of the merchandise at the beginning of the year and at the end of the year, and dividing by two.

3. Divide the annual sales by the true average inventory, month-end computations being made to get this average.

4. Divide the annual sales by the true average inventory, which is taken at the sales price instead of the cost price.

5. Divide the cost price of the merchandise sold during the year by the true average inventory taken at the cost price.

All five of the given methods cannot be correct, as we do not get the same turnover from each. In order to find the correct method it is necessary that we illustrate with a given business transaction. Merchant A begins the year with a \$7,000 stock (cost price), the sales for the year amount to \$20,000, and he inventories an \$8,000 stock. The gross profit amounted to 30 per cent.

In analyzing method No. 1, \$20,000, the sales for the year, is divided by \$8,000, the inventory taken at the end of the year, at cost. The answer would be two and one-half times. But this cannot be true. In the first place, the inventory is taken at the cost price, and is therefore not comparable with the sales. In the second place, the inventory was taken at the end of the year, a time when all of the stocks are at their lowest point, and it is impossible to use this inventory as a true average.

Method No. 2 is analyzed by dividing \$20,000, the annual

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sales, by \$7,500, the average of the two inventories—i.e., the amount of goods or merchandise on hand at the beginning of the year and at the end of the year. This would give us a turnover of two and two-thirds times. But this also is inaccurate. The \$7,500 inventory is not correct. True, it is the average at the beginning and the end of the year, but it does not represent the true average of the stock. In this case, also, the sales, which represent the selling price of the merchandise sold, was compared to the cost price of the merchandise inventoried, which is impossible.

Method No. 3 can be analyzed by dividing \$20,000, the annual sales for the year, by \$8,800, the true average inventory (at cost price), which is found by month-end computations. The stock-turn in this case, should this be the correct method of computing the turnover, would be two and three-elevenths. In this case we have used the right system of finding the true average inventory of stock on hand as the amount of stock on hand each month-end is added, and the aggregate is divided by twelve, the number of months' figures added. But we are still trying to compare the sales at the selling price with the cost price of the merchandise, and this is an impossibility.

In method No. 4 we have a different proposition to handle. The \$20,000, the annual sales for the year, is divided by \$12,572.50, the sale price of the average inventory or merchandise on hand for the year. The true average inventory, \$8,800, is changed to the selling price by simple percentages. The gross profit amounts to 30 per cent., and 100 per cent. equals the selling price. Therefore, 100 per cent., minus 30 per cent., equals 70 per cent. \$8,800 equals 70 per cent.; 1 per cent. is 70 divided into \$8,800, which equals 125.714, and 100 times this 125.714 equals \$2,571.40. This gives us a stock-turn of 1.59. In this case we have divided the sales for the year with the inventory of merchandise which has

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been taken at sale price. This is correct, as we can compare the sales against the selling price of the merchandise on hand. It is also correct to use the average stock on hand.

Method No. 5 is practically the same as method No. 4, with the exception that the figures are expressed in costs instead of the selling price—i.e., \$14,000, which represents the cost price of the \$20,000 sales for the year, is divided by the \$8,800, the average stock on hand, and the answer is 1.59. This system is perfectly correct. It is practically the same as the previous one. In one case the cost price is used as a basis, and in the other case the sale price is used as a basis.

We have proved that there are only two methods of finding the true turnover; one being to divide the sales for the year by the average inventory, the inventory to be computed monthly at the selling price (note this compares the sales, at selling price, against the average merchandise, which is also taken at the sale price); the other method is to divide the merchandise sold during the year by the average monthly inventory at cost. Of course, some stores have a method of computing inventory oftener than once per month. some weekly or semi-weekly.

Table showing stock turnovers for various lines:

Type of Store	Average Number Turnovers made Annually
Department stores	6.5
Drug	5.0
Dry-goods	4.5
Variety goods	5.5
Furniture	3.0
Grocery	12.0
Hardware	3.8
Jewelry	1.5
Shoe	2.5
Clothing	2.0

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STOCK-TURNS IN DEPARTMENT STORES

Merchandise Stock-turn. The figures on the next page are based on statistics taken from the books of one of the largest department stores on the Pacific coast. These figures are intended to show how many times the selling price of the 1913 sales of each of the store's departments contained its average stock at selling price. The merchandise handled by this store, like that of many others in this country, is very largely of the popular- and medium-priced kinds. Hence its figures cannot be accepted as applying to all types of retail stores generally. Nevertheless, they will prove interesting from the standpoint of comparison.

We must draw attention to the fact, moreover, that the figures shown here are not based on the cost price of each department's average stock, but represent merchandise stock-turns. In short, the figures presented are based on the *selling price* of the *average stock* carried by each department. The small figures in this table represent *tenths*; thus the stock of the store's art-goods department (the first item in the table) was turned two and seven-tenths times during 1913.

How Computations Were Made. A few words more to summarize and emphasize how these figures were computed:

1. At each *month's* end during 1913, in the office of the Pacific coast store, to which we are indebted for the statistics, an estimate was made of the *selling price* of the approximate amount of stock then on hand in each department.

2. At the year's end, to find its average stock (for the year) each department's twelve selling-price month's-end stock estimates were added together, and their total thus found was divided by twelve.

3. Next, the total of each department's sales for the year

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was divided by its average stock for the year. Here are the figures:

Departments	1913 "Turns"
Art embroidery, stamped linens, etc., see Art goods.	
Art goods	2 7
Baby carriages, see Toys.	
Baskets, see Toys.	
Belts, see Leather Goods.	
Beds and bedding (including blankets, comforts, etc.)	4 8
Blankets and Comforts, see Beds	
Books	3 0
Boys' clothing, see Clothing.	
Boys' hats, see Hats.	
Cameras	6 0
Candy	11 9
Carpets, mattings, linoleum, and domestic rugs	2 7
Chiffon, see Neckwear	
China, glassware, lamps, electric-lighting fixtures, etc.	1 4
Clocks, see Jewelry.	
Clothing (Boys')	2 7
Clothing (Men's)	3 4
Coats (Women's and Misses'), see Suits.	
Corsets	4 3
Domestics, including wash goods, flannels, etc.	3 8
Dress goods (Wool, etc.)	2 3
Dress trimmings, see Neckwear.	
Druggist sundries, see Toilet goods.	
Electric-lighting fixtures, see China.	
Embroideries	2 0
Flannels and wash goods, see Domestics.	
Frames, see Pictures.	
Glassware, see China.	
Gloves (Men's), see Men's furnishings.	
Gloves (Women's and children's)	2 9
Groceries	11 2
Hair goods, not including toupees, switches to order, hair-dressing, or manicuring	5 3
Handkerchiefs (Men's), see Men's furnishings.	
Handkerchiefs (Women's), see Umbrellas.	
Hardware, see House-furnishings.	

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Departments	1913 "Turns"
Hats (Men's and Boys')	1.8
Hosiery (Men's), see Men's furnishings.	
Hosiery and knit underwear (Women's and Children's)	3.0
House dresses, etc.	3.2
Infants' wear	2.9
Jewelry, clocks, and silverware	2.1
Knit underwear (Men's), see Men's furnishings.	
Knit underwear (Women's and Children's), see Hosiery.	
Lace curtains, see Upholsteries.	
Laces	2.4
Lamps, see China.	
Lawns, see White goods.	
Leather goods, belts, etc.	3.1
Linens, sheets, sheetings, etc.	2.4
Linens, stamped, see Art goods.	
Linings	3.5
Linoleum, see Carpets.	
Matting, see Carpets.	
Men's clothing, see Clothing.	
Men's furnishings, including men's hosiery, gloves, underwear, and handkerchiefs	2.3
Men's hats, see Hats.	
Men's shoes, see Shoes.	
Men's underwear, see Men's furnishings.	
Millinery	6.5
Muslin underwear	3.0
Neckwear (Women's), chiffon, and trimmings	7.4
Neckwear (Men's), see Men's furnishings.	
Notions	3.5
Parasols, see Umbrellas.	
Patterns	2.7
Perfumery, see Toilet goods.	
Petticoats, see Waists.	
Pictures, frames, etc.	4.1
Ribbons	6.4
Rugs (domestic), see Carpets.	
Sewing-machines	2.4
Sheets, sheetings, etc., see Linens.	
Shirts, etc. (Men's), see Men's furnishings.	
Shoes (Men's, Women's, Misses', and Children's)	2.2

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Departments	1913 "Turns"
Silks and velvets.	2 4
Silverware, see Jewelry.	
Sporting goods, trunks, suit-cases, etc.	2 3
Stamped linens, see Art goods.	
Stationery	2 9
Suit-cases, see Sporting goods.	
Suits and coats (Misses')	3 9
Suits and coats (Women's)	5 2
Sweaters (Women's), see Waists.	
Tinware, see House furnishings.	
Toilet goods, druggist sundries, perfumery, etc.	3 4
Toys, baskets, and baby-carriages	2 3
Trimmings, see Neckwear	
Trunks and suit-cases, see Sporting goods.	
Umbrellas, parasols, and women's handkerchiefs	3 0
Underwear (Men's), see Men's furnishings.	
Underwear, knit (Women's and Children's), see Hosiery.	
Underwear, muslin, see Muslin.	
Upholsteries, lace curtains, etc (but not including wall-paper)	3 4
Velvets, see Silks.	
Waists, petticoats, women's sweaters, etc	3 9
Wash goods, flannels, etc , see Domestics	
White goods and lawns	3 5

Capital Turns. A department head in a Western store, being allowed a working capital of \$10,000, realized that his opportunity for making a success lay in his ability to turn his capital as well as his merchandise. The method used was to invest the \$10,000 as many times as possible during the year. This buyer, being a shrewd judge of rugs, carpets, and linoleums, made a practice of attending auction sales and buying considerable merchandise at each sale. Because the buyer could use quantities and because of his broad knowledge of merchandise, excellent values were to be had at less than market price. By giving the customers excellent values for moderate prices the merchandise sold freely, and the buyer was able to buy frequently. During the first

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four fall months of 1916 \$48,000 was taken in in this department. This meant that the capital had worked four and eight-tenths times during the period.

Computing Capital Turns. The average merchandise on hand (at cost price) is divided into the total sales (at selling price) for the year to determine the capital turns. For instance, \$10,000 was the average investment in the department described, and \$48,000 was the sales for the first four months. This means that the \$10,000 is divided into \$48,000, and we find that the capital was turned four and eight-tenths times.

We present here a schedule showing the same store's capital turns for the period. In a word, the following table shows how many times the selling price of the 1914 sales of each department in the store contained the respective department's average stock (for the year) at cost price.

These figures are valuable when used exactly in this way --to show how a buyer is using the allotment for his department. They cannot be used to compute the true stock-turn figures for the whole business, because they are obtained by using one set of figures on the cost basis and one on the retail basis. It will be noticed that the figures are relatively higher than the corresponding figures above for the true or stock turnover.

Departments	1914 " Turns "
Art Embroidery	3.0
Baby-carriages, see Toys.	
Belts, see Leather goods.	
Blankets, comforts, etc	4 8
Books, periodicals, etc.	3.4
Boys' clothing, see Clothing.	
Boys' hats, see Hats.	
Buttons, see Notions.	
Cameras.	7.2
China, glassware, etc..	2.5

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Departments	1914 "Turns"
Clothing (Boys')	4 8
Clothing (Men's)	5 0
Clothing (Merchant tailoring)	4 0
Coats (Women's and Misses'), see Suits.	
Corsets, brassières, etc.	7 8
Cotton sheets, pillow-cases, etc.	10 7
Dresses, see Suits.	
Dress goods (Wool, etc.)	4 8
Dress trimmings, see Laces.	
Electrical appliances, see Lamps.	
Embroideries	3 4
Flannels, see Wash goods.	
Furs	1 9
Glassware, see China.	
Gloves (Women's and Children's)	4 3
Gloves (Men's), see Men's furnishings.	
Handkerchiefs	4 7
Hardware, see House furnishings.	
Hats (Men's and Boys')	4 2
Hosiery (Women's and Children's)	4 2
Hosiery (Men's), see Men's furnishings.	
House-dresses, see Negligées.	
House furnishings, not including trunks and baby-carriages	6 4
Infants' wear, etc.	3 8
Jewelry, silverware, etc.	4 0
Kimonos, see Negligées.	
Knit underwear, etc. (Women's and Children's)	3 1
Knit underwear (Men's), see Men's furnishings.	
Laces, trimmings, etc.	3 3
Lamps, shades, electrical appliances, etc.	3 3
Leather goods, etc.	9 7
Linens	3 1
Linings	9 6
Men's clothing, see Clothing.	
Men's hats, see Hats.	
Men's furnishings, including men's gloves, underwear, hosiery, etc.	3 4
Men's underwear, see Men's furnishings.	
Men's shoes, see Shoes.	
Merchant tailoring, see Clothing.	

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Departments	1914 "Turns"
Millinery	11.5
Muslin underwear, etc.	5.0
Neckwear, etc. (Women's)	14.2
Neckwear (Men's), see Men's furnishings.	
Negligées, including petticoats, house-dresses, kimonos, etc..	4.6
Notions, buttons, etc.	6.0
Patterns	10.1
Petticoats, see Negligées.	
Ribbons	5.3
Sheetings, etc. (Cotton), see Cotton.	
Sheetings, etc. (Linen), see Linens.	
Shoes, etc. (Men's)	2.8
Shoes, etc. (Women's, Misses', and Children's)	2.9
Silks and Velvets	4.2
Silverware, see Jewelry.	
Stationery, including commercial stationery, etc.	3.0
Suits, coats, etc. (Misses')	6.6
Suits, coats, etc. (Women's)	8.9
Suit-cases, see Trunks.	
Sweaters (Men's), see Men's furnishings.	
Sweaters (Women's and Children's), see Waists.	
Toilet goods, etc.	6.3
Toys, baby-carriages, etc.	4.5
Trimnings, see Laces.	
Trunks, bags, suit-cases, etc.	8.4
Underwear, knit (Women's and Children's), see Knit.	
Underwear (Men's), see Men's furnishings.	
Underwear, muslin, see Muslin.	
Veilings, etc.	4.7
Velvets, see Silks.	
Waists and women's and children's sweaters.	6.9
Wash goods, flannels, etc.	4.8

To Find Average Stocks. The following method was used in computing each department's average stocks. At each week's end during the year the amount of stock then on hand in each department was estimated. At the year's end, therefore, there were available for each department (in-

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cluding the amount of the stock with which the respective departments started the year) 53 stock figures. In each case, at the year's end a department's 53 stock figures were totaled and their sum divided by 53; the result thus obtained was set down as the respective department's average stock for the year.



XI

THE INVENTORY

Inaccurate Inventories Cause Many Failures. Failure to make accurate inventories is the cause of many failures to make money, and usually leads into bankruptcy. It is the unknown which is threatening. But when the cloud is known to be a cloud only, it loses its menacing effect. If a retailer is not disposed to be classed as an "extra-hazardous" credit risk, he will be ready with facts and figures to submit to his banker, or others who have a right to know of his financial condition.

An inventory amounts to nothing if it is not an accurate statement, showing the financial standing as well as the proper condition of the stock of merchandise on hand. Notwithstanding the fact that most merchants agree to this, many stores are to be found where the proprietor marks the cost on the merchandise when receiving it, and then inventories it year after year at this cost price, regardless of the fact that the market price might be 20 per cent. higher or, more likely, 50 per cent. lower than at the time of purchase. The merchant who disregards his commodity is only fooling himself. Modern inventory systems suggest that every dollar's worth of stock be inventoried for what it is actually worth—not what the retailer is liable to realize should he be fortunate enough to sell, but the amount Mr. Merchant would have to pay for this stock should he purchase it in its present condition.

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What Is the Merchandise Worth? Women's wear, suits, coats, dresses, millinery, and the like, depreciate 50 per cent. after having been in stock one full season. The style changes, of course, have a tendency to raise or lower this depreciation. Should the change be a radical one, the garment would not bring over 15 to 20 per cent. of original selling price. (A \$20 garment marked down to \$4 should be inventoried at \$2). This system gives opportunity for an advantageous showing of profit on this merchandise the following year. Men's clothing depreciates at least 20 per cent. yearly. Prints, gingham, percales, domestics, cotton goods, etc., if in good condition, are worth what they would cost to rebuy, and they should be inventoried at market value; sugar, flour, syrup, meats, etc., should also be treated in the same manner. Broken and soiled merchandise should be taken low enough so that a profit may be realized on inventory when the merchandise is sold.

The merchant who inventories his stock of merchandise according to the above suggestions may record a material loss on "closing books" the first year, but he will find that his next inventory will show a substantial profit as well as his true financial status. The method enables the marking of the old merchandise at a price where it must sell at a profit, and it positively "rushes off" accumulating stock and allows a more frequent turn of stock.

Preparing for the Inventory. The method of preparing for stock-taking and clearance sales seems to vary with the different stores. In some stores stock-taking comes first and clearance sales afterward, while in others the stock is cleaned out by means of sales before the inventory is taken. Most merchants regard the latter method as the wise one. Under such a policy, prior to the inventory period, all stocks should be reduced to a minimum. The buying of some line of merchandise (staples, notions, etc.), is, of course, essential

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and as it is poor business policy to allow every department to become starved, "fill-ins" should be kept up. Care should be exercised, however, in not purchasing more than is absolutely necessary.

Examples of Preliminary Work. Take the shoe department as an example. Within a reasonable number of days before the end of the store's fiscal year, during the quieter moments, the clerks begin to straighten up their respective sections of the stock. They carefully examine, assort, and count the contents of each carton, drawer, bin, and case. As they handle each lot they write the result of their count, etc., in pencil, on what we shall here term a "first-count slip." They place one such slip for each lot in the respective shelf or drawer with the counted goods. In certain stores the shelf, drawer bin, or case number is also noted on the respective slips.

In some stores these slips are merely strips of ordinary wrapping-paper, cut to a uniform size. In other stores these slips are printed blanks providing spaces for filling in various details, as quantity, style number, selling price, cost number, etc.

Shift the Stocks and Examine the Goods. The stock should be shifted at stock-taking time to ascertain the exact condition of the merchandise; to run over it as it lies is not sufficient to determine this point. For instance, in one store during inventory period the men were counting and calling the stock. A stock of trousers on the top shelf was being called, and the proprietor, who was passing at the moment, suggested that they be taken down and handled. With remonstrances that this was but extra labor, it was done. It was found that where the edges of the trousers were exposed they were streaked, the discoloration being caused by the dust settling on them, as they were above ordinary reach and escaped the daily rounds of the whisk-broom. A good

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brushing saved them, but had they remained untouched for a few weeks longer the discoloration would have been permanent. This discovery brought about a change in the arrangement of the stock as a result of shifting the goods during the inventory.

Examine everything—every item in the stock—for two reasons: To learn its present value—*i.e.*, salableness, and to become acquainted again with the stock on hand. It is apparent that every article in the house should bear a plain mark for the purpose of avoiding confusion and loss of time, as well as the time it is offered for sale.

Numbering Done in Advance. To make sure, however, that none of these first-count slips get lost, each is consecutively numbered in advance. Here is one of the ways in which a good numbering-machine can save time. Besides, its use adds "tone" to the first-count slips and enhances the accuracy of the numbering work.

These consecutive numbers (on the first-count slips) of the shoe department have no connection with the similar numbers put on first-count slips in each other department in the store. Each department head, through his assistants or heads of stock, keeps track of the first-count slips he has distributed among his force, so he can hold each clerk to account for those given.

Changes After First Count. Inasmuch as the counting, measuring, etc., as suggested, begins before the year's real end, it happens that after certain lots have been counted new goods of that kind will arrive. More frequently it happens that some of the counted items are sold. In each of such instances the respective first-count slip (lying on the shelf) is changed accordingly. And if a clerk who wants to make such a correction cannot find the first-count slip which he thinks he ought to find, he, of course, must promptly report the matter so that a dummy or duplicate slip may be

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made at once. By such means much of the work connected with inventorying can be done before the official stock-taking date.

Taking Stock While Business Goes On. The old method of keeping salespeople and those who have charge of the stock long after hours straightening out inventories and listing goods carried on shelves has given way to-day to a new and much better method which permits the taking of stock during business hours and while the department is busy selling. This system may vary in stores a trifle in minor details, but on the whole it is much alike, adapting itself to the coat-and-suit department as well as the waist or shoe section, or elsewhere. When that date arrives the work proceeds promptly along the following lines:

Inventory. The first consideration is to determine what plan is to be used in the invoicing. Is the stock to be taken at net cost, cost and carriage (some merchants add 5 per cent. to cover freight and express), or at retail price, preferably the first price at which goods are marked before mark-downs begin? Some of the larger stores have adopted a method of inventorying at selling price only, while others are following the plan of inventorying at both cost and selling prices. The medium-sized and smaller stores have been adhering to the plan of inventorying at original cost or market value (cost). The advantage to be gained by taking an inventory at cost and selling prices is readily seen. The difference between the per cent. of profit marked on the merchandise, or shown by the inventory sheet, and the per cent. of profit realized from the operation of the various departments, will, in some instances, be very great.

Having decided on the basis of figures at which the goods are to be listed, next provide books ruled with a sufficient number of columns to accommodate the various head-lines under which to enter the stock, such as: lot number, kind

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of merchandise, sizes, price, or any other important feature of record to be kept.

Some concerns make use of the loose-leaf sheets, given herewith, for official inventory, having these sheets bound in covers

SMITH, JONES & COMPANY

Sheet No. _____

Date _____ 191

Department A

Stock No.	DESCRIPTION	Quantity	Price

containing a half-dozen or a dozen pages. Numbers of small books are absolutely essential in stores where six, eight, or more people are employed in taking the inventory, because a greater number of clerks can be put to work simultaneously than when the proprietor, working both night and day, did

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the recording in the one book. And this is true, of course, not only regarding the preliminary work of entering on the sheets while the calling-off is being done, but also regarding the later work of figuring and refiguring the items.

A competent person goes through the shelves, drawers, cases, etc., and, taking up one count after another, calls off from these to another assistant who enters the respective items on the inventory sheets. By having the small wares counted, with slips of paper bearing the quantities placed on top of the lots, either in boxes or open stock, much time will be saved in the calling. The longer the work is drawn out the harder and more irksome it becomes. A \$20,000 stock should be called in a few hours when a proper first count has been prepared beforehand.

Have Numerous Subdivisions. Just as it is beneficial to keep each department's goods separate in the inventory instead of jumbling together, so it is desirable to cut up each individual department's inventory into as many parts as is practicable. In inventorying a shoe department's stock the stock-sheets might be subdivided into ten different sections, as follows: 1. Women's high shoes. 2. Women's low shoes. 3. Men's high shoes. 4. Men's low shoes. 5. Women's slippers. 6. Men's slippers. 7. Misses' and children's shoes. 8. Boys' and youths' shoes. 9. Rubbers and rubber boots. 10. Findings. Moreover, the subdivision can go still further so as to segregate (within each of the ten subdivision's names) certain styles or colors or leathers, etc.

All Sheets Are Carefully Followed Up. Just as the first-count slips are consecutively numbered (in advance), so, too, are the official inventory books or loose leaves. Thus everybody handling them can be debited with the "numbers" intrusted to him or her, and credited for them when he or she returns them to the proper authorities.

A still further advantage of using thin books or loose

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leaves is due to the fact that when each individual clerk holds at one time the figures of but a small fragment of the stock, he or she thus gets but little knowledge of the department's total. Under other conditions, the one handling the books may get a pretty fair idea as to the stock's total inventory and other confidential data on the operation of the business.

Page Totals Not Carried Forward. Another point to be mentioned is that, whatever system may be employed, each page or sheet is *footed independently*. That is to say, page-totals or sheet-totals are *not* carried forward in the ordinary way. This plan of keeping each page-total or sheet-total separate—provided the recapitulating work is properly done—simplifies and expedites matters in various ways.

By such means, with much less trouble than might be imagined, even the bigger stores gather in a few days a mass of information regarding their stocks on hand that proves of great value to all concerned.

Annual, Semiannual, or Monthly Inventory. Many merchants are doing apparently good business, but still they are losing money yearly, without a definite knowledge as to how or where the money is lost. For instance, a Western millinery store was doing a fair volume of business. The owner conceived the idea of doing a tremendous Easter business by making leaders of trimmed hats at \$1.98, \$2.98, \$3.98, and \$4.98, taking for granted that these popular prices would cause higher-priced hats and pressed shapes (the articles upon which the larger percentage of profit was made) to sell. He also advertised a free trimming service in case flowers, feathers, or ornaments were sold. The sales force was not informed as to what merchandise was the profit-maker. Consequently they pushed the articles (the trimmed hats at \$1.98, \$2.98, \$3.98, and \$4.98, upon which practically no profit was made) because they were the easier to sell. The

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[illegible]

Fig. 2—Stock-sheet for Keeping Continuous Inventory

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sales were increased 50 per cent., but at inventory time the records showed no profit made during the year. The merchant decided to locate the season in which the loss occurred by inventorying the stock each quarter. This was done, and it was found that during the Easter season enough loss occurred to eat up the profits for the remaining seasons.

There are, of course, some few drawbacks to frequent inventorying. Many merchants complain of finding invoicing once per year rather difficult because of the lack of interest on the part of the salespeople, and lack of time on account of business during regular hours. It will be readily conceded that most salespeople dread inventory work; but after making a start they find it much easier than they had anticipated. Frequent inventorying causes them to lose this dread and to become more accurate.

Continuous Inventory. Because of limited capital, demand for frequent turnovers, and necessity of detail knowledge with regard to stocks, several so-called continuous or perpetual inventory systems have been perfected. These are, moreover, very applicable to certain kinds of merchandise. Ladies' ready-to-wear, men's clothing, stoves, shoes, and hats are the best suited commodities for this type of inventory, while groceries, notions, small wares, etc., would require much clerical work, if each sales-slip were to be checked and marked off of stock-sheets. Continuous inventory showing quantity, however, is not essential for the latter lines.

Keeping up a continuous inventory is greatly facilitated by using the correct form of inventory sheet, together with the proper means of keeping a systematic check. Fig. 2, used in connection with Fig. 3 (stock-tag, is used by a progressive Western store for continuous inventory in the women's-wear department. Columns are provided for gar-

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ment, style number, cloth, color, cost, selling price, reduced selling price (this to be entered from stub, Fig. 3, at the time of the reduction), sizes, and description.

Each manufacturer from whom merchandise is received has a page or pages (stock-sheets); he is also given a lot

number, and this number is recorded on the stock-sheets as well as on the merchandise - tags. Because of the possibility of several manufacturers having the same garment number, and in order that garments may be more readily located, this precaution is used. The stock-sheets can best be kept in a loose-leaf binder, as this plan eliminates any possibility of any pages becoming misplaced, and new pages may be inserted wherever necessary.

When this merchandise is sold, the salesperson tears or breaks off the lower half of the perforated tag and places

THE KEPLER CO.
DRY GOODS
EAU CLAIRE, - WISCONSIN

No.	131
Lot	19
Size	36
Price	5.75

No.	131
Lot	19
Size	36
Color	Navy
Price	5.75

FIG. 3

it in a box which is kept conveniently located for the purpose. Each morning or evening, as the case may be, this box is emptied, and the stub-tickets are checked against the clerk's sales-tickets to make sure that the merchandise was actually sold for marked price. The stub-ticket is then entered as

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sold on the stock-sheet by writing date of sale above size garment, as, coat No. 131, Fig. 2.

Reduction in price should be entered both on stock-sheet and merchandise-tag at the time of the change in price. This avoids any possibility of price changes on the merchandise-tag without detection when entering the date of sale.

When used correctly, an actual inventory total, both in dollars and cents and number of garments, may be had on a few moments' notice. This system also shows what "fill-ins" should be purchased, as well as showing the merchant what lines sell more readily and which are "stickers."

Fig. 4 shows form of sheet used for continuous inventory by a successful bargain-basement manager. The sheet has columns for basement number, description of article, manufacturer's stock number, cost price, selling price, quantity, and blank margin for entering sales.

All merchandise is given a basement number on receipt and entered in the back. The manufacturer's stock number is also entered, in order that the article may be reordered, should it be necessary. Cost price, selling price, and quantity are entered as well. Each commodity is tagged with basement number and selling price, other information being available by looking up basement number on stock-sheet in stock-book.

When selling the commodity the salesperson enters the basement number and selling price on the sales-slip. These accumulated sales-slips are collected each morning by the person in charge of marking merchandise, and entered on the stock-sheet with red ink.

Much work is required in using this system, as each sales-ticket must, necessarily, be checked from the book, and this work cannot be postponed from time to time, because the system is worthless unless kept up to date.

RETAIL BUYING

MARSHALL FIELD & CO.

10, 1/14

Basement	Description	Stock	C	S.P.	Quantity
1850	Books	309	.07	.10	12—
1851	Blocks	5537	.15	.25	1—
1852	Chairs	1289	.19	.30	4—
1853	"	1288	.21	.39	4— 2
1854	Beds	1125	.39	.59	2—
1855	"	1553	.56	.98	2—
1856	"	647	.45	.85	8—
1857	Furniture	5148	1.05	2.00	4— 1 1.
1858	"	5107	.77	1.50	4—
1859	"	M5121	2.08	3.95	1—
1860	"	5140	2.75	4.95	1—
1861	Desks	1293	1.63	2.95	1— 1
1862	"	0109	1.10	1.95	2— 1
1863	"	1229	2.08	3.95	2— 2
1864	Horse-stick	1524	.17	.25	12—
1865	Doll-cabs	1363	.45	.79	1—
1866	"	1377	1.00	1.95	1— 1
1867	"	1369	1.37	2.50	3— 2
1868	"	1432	1.40	2.75	2—
1869	"	1435	2.75	4.50	2— 2
1870	"	1442	3.25	5.50	1—

FIG. 4

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Perpetual Inventory System Used by a Specialty Shop.

Fig. No. 5 shows stock-sheet used by a successful specialty-store company in keeping accurate account, in dollars and cents, on merchandise on hand. Merchandise is checked and marked from invoice on receipt, and the sale price extension is filled in at the same time. Pencil figures should be avoided, as there is great danger, when making payment, of paying retail extension instead of cost amount. Red ink is preferable, because manufacturers, brokers, commission-houses, and jobbers never use colored inks in rendering statements. The percentage of mark-up should be figured and recorded in the lower left-hand corner; necessary information on bill should be recorded on stock-sheet (Fig. 5), as invoice has been recorded. Each invoice is consecutively numbered, treated as Fig. 5, and entered. All columns are kept totaled—*i.e.*, the amount of each invoice, the amount of selling-price mark-up, and percentage of mark-up is added to those already reserved during the year. This total of cost price, plus the inventory, gives the cost of merchandise on hand, while the total of selling amount, plus retail inventory, gives the sale price of merchandise on hand. The sales are deducted from total retail sale price, as follows:

	Cost	Retail
Inventory, June 1	\$40,000.00	\$60,000.00
Purchases since received.	918.20	1,274.36
	<hr/>	<hr/>
Total	\$40,918.20	\$61,274.36
Sales since June 1		2,250.00
		<hr/>
Total		\$59,024.36

Let one hundred equal cost price, as cost is the unknown quantity. One hundred plus 28.56 per cent., which was the average per cent. of mark-up on all merchandise received, as

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well as inventory, equals 128.56. Two thousand, two hundred and fifty dollars, the sale price of merchandise sold, divided by 128.56 equals \$1,750.16, the cost price of merchandise sold.

$\$2,250.00 \div 128.56 = \$1,750.16$, cost of merchandise sold.	
Totals . . . \$40,948.20 cost	\$61,274 36
1,750.16	2,250 00
<hr/>	<hr/>
\$39,198.04, cost of merchandise on hand.	\$59,024 36, sale price on merchandise on hand.

This plan may be used with each day's sales, and an accurate knowledge of merchandise on hand, both cost and sale price, may be known at all times.



XII

STOCK-KEEPING AND STOCK-RECORDING

Stock-keeping. Although in one of the best locations in one of the most flourishing towns of southern Wisconsin, a dry-goods merchant is allowing his business to slip away from him. In the first place he does not give the proper time and attention to the business because, as he confesses, he does not get enough out of it to pay him. A customer entering the store is greeted with the same arrangement and display she has been seeing every time she has entered the store in fifteen years. The various stocks are located in the same positions. The piece-goods department presents a most unsightly appearance. Discolored, faded, and unevenly rolled bolts are heaped on the shelving; soiled and broken boxes are protruding from the notion counter; linens and fancy-work pieces are piled on the inside of the cases; boxes of all sizes, colors, and shapes are mixed together in the hosiery department; piles of merchandise, which should be attractively displayed in cases and packed away in stock-boxes, are stacked on the counters and cases. The place has well earned the name of "The Junk-shop."

This merchant has been greeted with the sight for such a length of time that he becomes accustomed to it. He does not take into consideration that his customers judge the merchandise by the way it is kept. If he should take a short vacation and spend part of it in an up-to-date store,

STOCK-KEEPING AND STOCK-RECORDING

he would return to the store sufficiently disgusted to pitch in and reorganize it. The first job would be to show the clerks how to keep stock in the correct way.

An orderly, well-kept stock is one of the best advertisements that a merchant can have. It insures that the merchandise is kept in correct condition; as a result the customer is better satisfied, sales are made easier, the losses through depreciation are less, merchandise can be more easily located, and a greater sales volume may be had at the least investment.

Store Fixtures. The question of fixtures is a very important one, and one which meets with much discussion and disagreement. The leading merchants and trade publications all over the United States have given their ideas on the subject. Still, no definite conclusion may be drawn.

In any discussion of the subject it is well to bear in mind the type of store, the class of clientele, the character of the merchandise handled, and the amount of space to be used. Each particular type of business calls for different equipment, and the brains of the proprietor must be used to decide just what is necessary.

Numerous merchants in all kinds of business advocate that there should be no such an account as the fixture account. The ready-to-wear merchant of this class makes use of the common gas-pipe fixture because he believes that by so doing he can save money and sell the commodity to the public for less money. Glass cases are useless to him because his merchandise is not on the hangers long enough to become dusty, while the glass cases would require much time and labor to keep clean, and they would not be as accessible to the prospective customer.

Are Expensive Fixtures Necessary? The clothier of this class says a man goes into the clothing-store to see clothing, not glass fixtures. He is much better pleased when he can see the piles of clothing about him on tables and he is en-

RETAIL BUYING

abled to handle it. The forties are kept together on tables, and, should this be the size desired, one coat after another may be tried on, and in less time than is required to remove the hangers from the coats.

Many grocers claim that as there is so little profit in their goods they cannot afford to invest much in fixtures. Many customers do not enter the store, as they order by telephone. In fact, it is quite possible to keep a small grocery-store clean and neat without the aid of expensive fixtures.

The Selling Value of Attractive Fixtures. On the other hand, how much business could Marshall Field & Company do without the aid of their up-to-date fixtures? Their fixtures add much prestige to the merchandise which they carry. Nine-tenths of their customers would turn up their noses and walk out of the store were they forced to walk over uncarpeted floors and make their selections from stocks of merchandise kept in cheap or antiquated fixtures. There are certain classes of people who are willing to pay for the environment, and the merchant is expected to make the surroundings suitable to the tastes of the most fastidious.

The same is true of representative stores in New York City, Boston, Philadelphia, Chicago, Buffalo, and other centers where the clientele is made up of the upper classes of the city. Each store tries to outdo the other in the matter of furnishings and equipment. The customers who frequent such stores have beautiful homes and they are accustomed to such fittings. The stores' officials have learned that it is absolutely necessary to fit the stores in such a manner as to make the customer feel at home. The stores would be flat failures were they to attempt to merchandize in any other way.

Fixtures Should Be Adapted to the Trade. In these same cities, however, there are other stores doing equally as much business as the high-grade store previously referred

STOCK-KEEPING AND STOCK-RECORDING

to, with much less money invested in equipment and fixtures. Their customers do not demand it; in fact, their customers are many who are unaccustomed to extravagantly furnished surroundings, and they purchase more freely when fitted properly. An actual happening, which will help emphasize this idea, may be cited: A lumberman, after making a great deal of money in a certain section in the northwestern part of Wisconsin, decided to expend some of this money by fitting up one of the best and most up-to-date stores for its size in the United States. A costly building was fitted up with expensive furniture and fixtures, heavy carpets were put on the floors, and everything to harmonize was put in place. Complete stocks of merchandise were purchased and installed. The store would have done justice to Michigan Avenue, and a visitor might have thought that the store expected to derive its trade from the residents of Lake Shore Drive. The only patrons, however, were to be the farmers and lumberjacks of the surrounding territory. The place was too fine for them, and the store did little business. The prospective customers would come to the front door, look at the carpet, then at their feet, and walk away with their eggs to some general store where they could sit on a box and expectorate on the floor while the merchant exchanged their eggs for groceries.

Another example of fitting up too fine a store for the trade happened in a much larger town. A store, in a city of six thousand, prospered and thrived by catering to mill-hands, machinists, laborers, and the like. It was decided, as business was so good, that a much larger patronage could be had were the store large enough and well-fitted enough to handle it. All the latest fixtures were installed, a modern front was put in, and everything was made convenient and inviting. The business failed to come, and the old trade began to drop away because the fittings and furnishings proved too elaborate.

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rate. The store went into the hands of the receivers in less than two years after the alterations were made.

Fixtures for the Up-stairs Store. Any merchandizer or careful observer of merchandizing principles readily admits that the up-stairs store does not hold its trade through the use of expensive fixtures. The kind of merchandise handled does not necessitate the use of elaborate fittings. The advertisements usually read: "Walk Up and Save Five Dollars." The values given for the money are what cause the customers to walk out of their way. They save a few dollars by walking, and they do not expect to be greeted with an elaborate display of equipment. Economy in equipment enables this saving to the customer, and most of them are aware of this fact.

It is a well-known fact that the higher-class and higher-priced garments are not carried in stores of this type. Commodities are carried in stock that will meet the requirements of the type of customer who is anxious to economize in her dress. High-price merchandise is usually carried in stores where the wealthy customer is catered to. Therefore we may well say the type of store, the class of clientele, and the character of store go hand in hand.

There are times in every man's business when improvements must be made. It sometimes happens that making improvements will reduce some expense sufficiently to cover the amount expended. Every one knows the customer likes to do her purchasing in the thriving store. In other words, she likes to go where the bulk of the people go. Improvements frequently herald to the trade your store is doing a flourishing and a profitable business, and it, in turn, begins flocking to the most thrifty store. Fixtures, if they are suitable to the type business, sometimes reduce the cost of carrying the stocks. This may cause more sales, and there is a chance of the customer deriving a benefit through the expenditure.

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No-Counter Idea. Some merchants, for instance, believe it impossible to do business without the aid of the counters, while others have long since given up the use of counters in many departments. John Wanamaker, the first to try out the method, has done a tremendous piece-goods business by making use of show-tables instead of counters. This same principle has been worked out advantageously in the store of the writer. It was found that the customers actually gave more time to the looking than previously. Many, in fact, passing down the aisle, with no definite purpose in mind, stopped to look at piece goods cleverly displayed on the tables, when they would hesitate about stopping before a counter because of the seeming obligation to buy. Conscientious salespeople, taking advantage of the situation, began showing other merchandise, and before the customer realizes it a desire is created for the commodity and a sale is perfected.

In making use of the table plan it is necessary to reserve every third table for a measuring-table. Certain kinds of merchandise, not display, may be shown on these tables. But care must be had to see that these tables are always kept clear, so that they may be had for their original purpose whenever they are needed.

Six-foot tables are the most adaptable for the purpose. They should be placed some three feet apart so as to allow space for the prospective customer to walk between the tables if necessary. These tables should be covered each morning with newly received merchandise cleverly displayed.

This same idea has been tried and found to be successful in many kinds of business. Bargain-basement managers have found that it is impossible to do without the table system, because their merchandise must be displayed in order to make ready sales. The merchandise is put out so that the public may wander through the aisles, examining everything and make their own selection. Grocers have

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found that certain kinds of goods carried in their stocks find more ready sale when put out so that the customers may find new things. This plan, of course, would be an impossibility where the commodity shown could be sampled by the public. Chain stores make a remarkable example of what can be done by putting the merchandise into the hands of the public. It would be impossible for them to sell one-third the merchandise were it necessary to carry it on shelves and show it as the ordinary hardware merchant shows his wares. One of the largest drug-stores in New York City, one of the Liggett chain at Thirty-fourth Street and Broadway, makes use of the same plan in the sale of its package candies, toilet articles, rubber goods, and novelties. Brentano's Fifth Avenue Book Store would not be able to sell anything like the number of books it sells annually were the customers not permitted to walk through undisturbed at will. They frequently enter out of curiosity, and, in wandering around, find several or more books that they purchase before leaving.

Lace-curtain and drapery departments are doing away with their counters, as they are beginning to realize that fifty-dollar curtains are never sold unless they are displayed. Even expensive cretonnes and denims are being shown on tables and well displayed, so that the customers may see at a glance what is in vogue.

Without a doubt, people purchase more freely if allowed to handle merchandise, as they are enabled to have a greater selection in a shorter time. Tables are also insurance against lazy salespeople failing to show enough merchandise.

Store Arrangement. The location of a department has much to do with its success or failure. Departments may be so arranged as to make individual stock-keeping and stock-work most effective. In fact, store arrangement is a science which is acquired through a study of the individual

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store, the clientele, the salespeople, and the merchandise. Each department must be located where it will have the greatest pulling powers and where it can do the most profitable business.

A large city department store featured a men's-wear department for many years. The department began to decline. The men who as boys had purchased all their wearables of the store began hunting up the specialty shops. The truth of the matter was that men preferred to make their purchases where they would not come in contact with women customers. The store soon saw fit to establish a separate store in which men could shop in comfort. Other department stores have found that it paid them to have their men's-wear department situated just inside the door or on one side of the store. Men prefer to shop where they can step inside of the door, make their purchases, and get out. As a rule, they do not require much time to make their selections, and they do it while on their way to work, during lunch-hour, or on their way home in the evenings.

Staples and free-selling merchandise are usually kept in the rear of the store, in the basement, or in some other part of the store where the customer must pass through the main aisles in order to reach that department. During the latter part of March, 1916, the store of the writer purchased a bankrupt stock of merchandise. There was a fair-sized grocery stock in the purchase. It was decided to use this as a real leader. In order to pull the people through the store, this stock was placed at the rear end of the second floor, so that customers who wished to reach this department would necessarily have to pass through the aisles of the down-stairs, and through the entire up-stairs, before reaching the wanted stock to make their purchases. In passing through the store the people saw whatever else was being displayed, and many purchases resulted. The entire grocery stock was

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cleaned out in less than a week, together with most of the other stocks.

This plan should be worked in each individual stock. The customer should be forced to pass well-displayed merchandise in order to reach the free-selling commodities, and at the same time attempts should be made to place each line of merchandise so that it will be most conveniently situated for the prospective customer. The old adage, "Cheaper goods to the front," is a thing of the past. There was a time when this idea, when worked effectively, was a great puller. But now, before making contemplated moves, it is necessary that some study be made of the public with relation to this particular department and to competitive departments.

Receiving-room. The average customer, as well as salesperson, has a weakness to see what is in new packages or boxes. Many times some buyer will be striving to mark a bill of goods while a number of customers are busy going through the various packages, mixing up all kinds of things, so that it is impossible for the buyer, because of fear of offending, to remonstrate. Frequently articles are lost, numbers and labels misplaced, and much confusion results in attempting to make the statement tally with the merchandise received. This trouble and worry could easily be eliminated by having a regular room or compartment set aside for the purpose, not accessible to the customer. All incoming goods should be sent to this department for opening, marking, and recording. Many stores have such a department in the rear of the store, conveniently located for the expressman; it may also be used as a packing-room for outgoing parcels. Everything is tagged, labeled, pin-ticketed, etc., before leaving for the stock-room or the regular selling department.

Reserve Stock. In larger stores, where it is an absolute

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necessity, certain space is set aside for reserve-stock rooms. Usually it is the least desirable space in the house. Basements and lofts above selling-floors make ideal stock-rooms because the space is of less value, and ample space may be given each department in order that its merchandise may be kept separate from all others. Again, these are most adaptable for stock-rooms because they are inaccessible to the help in general (much petty thieving being done direct from the reserve stocks by the help) and stocks may be kept cleaner and more orderly with less labor. One large store makes use of its furnace-room by using it, both winter and summer, for reserve-stock room for hosiery. Hosiery is bought in case lots and placed in this reserve stock. Sometimes it is moved to regular stock in less than a week's time, and at other times it remains in reserve stock for eight or ten months. Needless to say, this store has not the best reputation for hosiery in the city.

An argument that is sometimes used against stock-rooms, and which is indeed a just argument, is that where enough space is allowed for this purpose the buyers strive to and feel the need of purchasing enough merchandise to keep all space filled. In this way much more merchandise than is necessary finds its way into the house and stocks are not turned as frequently, and losses through dead stock are more prevalent. Doubtless many small stores have no need for stock-rooms, and they would be, indeed, a hindrance to correct merchandizing. A larger well-assorted ready stock may be carried and less capital will be invested. It is much better to depend on the reserve stocks of the wholesalers, jobbers, or manufacturers, and much more profitable for the retailer.

Sampling. A store in Natchez, Mississippi, loses many dollars monthly because of the lack of an efficient method for the giving of samples. When a customer asks for samples swatches are cut direct from the bolt, enough being given at

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one time for three or four samples. The bolt is then folded and returned to its proper place in the shelving. On several occasions green clerks have made mistakes by cutting six- or eight-inch samples off the bolt, lengthwise, cutting along the selvage instead of crosswise. When a customer returns to make a purchase, the section running entirely across the bolt of cloth except for the sample which has been cut, is thrown in with the purchase.

A more efficient method, and one that will save many dollars during a year, as well as aid in stock-keeping and save the salesman's time, is to cut two one-inch strips from each bolt of goods, as it is received in the department, the entire width of the material, these strips then being cut into six-inch swatches, suitable to be handed out to the customer. These swatches are then put in a large manila envelope, kept for the purpose, and placed on the inside of the bolt, next to the board.

Stores desirous of obtaining accurate figures showing the amount expended in sample-giving, as well as those following a practice of making a direct charge to "mark-down" for merchandise used for this purpose, have a system by which each person in charge of a department must enter in a book, which is kept for the purpose, the yardage, together with the price, cut from each bolt for samples. No one except the stock-keeper has the authority to cut a sample from any bolt of goods. At the end of each week these books are totaled and the grand total is sent to the office to be charged and recorded.

Open Stock. Grocery stocks, and especially canned goods, etc., should be shifted equally as often as any other kind of merchandise, and in some cases it is advisable to shift them even more frequently. For example, in a small grocery condensed milk was found that had been on the shelf over two years. The milk, upon opening the can, was found to

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be so thick and hard that it had to be cut out with a knife. This grocer had trusted his stock-work to young boys, who did their work in the easier way. When fresh shipments were received the new goods were put on the front of the shelving and the older was shoved to the back. Consequently the new goods were selling before the old.

Once each week the entire shelving should be gone through, canned goods wiped off, shelving scrubbed, condensed-milk cans turned, and the newer goods put to the back of the shelving in order that the old will sell first. This keeps the stock fresh and new. Besides this, each man in charge of a stock should see that his entire stock is dusted each morning. The dusting of a grocery stock, or a paint-and-varnish stock, is just as important as the cleaning of a fine piece-goods stock. The cleanliness of a store will impress a customer more than anything else, especially where the store is handling commodities which the customer must eat.

Arranging and Handling Open Stock. The stock is arranged on the shelving in the same orderly manner, and placed so as to attract the eye of the prospective customer. The slow sellers should be given the most conspicuous places, and the free sellers should be placed in the less desirable locations. A stock-boy should be required to go through the stock frequently during the day, moving up and filling in from behind, to fill the gaps caused through the sales.

The main stock-work should be done the first thing in the morning. At that time there are few customers to disturb the work, and the salespeople are more ready to do such work than after a hard day. In addition all merchandise should be removed from the shelving once each week and the shelves scrubbed, the merchandise cleaned and replaced to the proper place. Brushing clothing, wiping shoes, polishing hardware, etc., is not the most important occupation for the salesperson, but it certainly saves money for the mer-

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chant. The keeping of every article fresh, free from dust, and in a thorough salable condition is one of the most important functions of the clerk's duties. Dust and dirt can be removed from clothing, if taken in time, which would otherwise cause discoloration and damage.

Filling in Open Stock. Replenishing stock must also be done at this time. Lists should be made out (if the reserve stocks are kept in regular stock-rooms) showing what is needed. In smaller stores mental inventory serves the purpose, as one section is taken at a time and filled in before taking another.

Want-books should be kept in every department, and salespeople should be instructed to enter everything called for that they are unable to furnish. Stock-books (want-books) are kept in reserve stocks also, in order that entries may be made when the amount on hand of any commodity reaches the minimum. By using such a method there is absolutely no possibility of ever being out of any staple commodity. This alone does more to build a thriving business than any other one thing.

Few salespeople realize that stock-keeping is an art; an art in which no lazy person can become proficient. In order to keep a department in decent condition every moment that can be spared from serving trade should be spent arranging and rearranging stock. A large amount of money is invested in stocks and the customers must see the goods before they buy. They never buy a jumbled mass.

Old Stock. Dead stock seems to be quite a problem in some stores. We find it placed high on top shelves, in drawers, under the counters, in stock-rooms, and in other out-of-the-way places where it is utterly impossible to make it move by sale. In fact, most of the time the old stock is anywhere but where it should be. The merchant is not

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overly anxious about exposing it to view, although much of his well-earned profit is tied up in it. He appears to be ashamed of the fact that he has made a few mistakes. The salespeople, naturally, take the same attitude toward this kind of merchandise.

The merchant is indeed a poor reader of human nature when it comes to making a study of his salespeople. That the salespeople will do things in the easiest way is an undisputed fact. They will sell, or attempt to sell, the thing that can be shown with the least exertion. Few will climb to the top of a step-ladder, or dig through drawers and under counters, to get rid of a "sticker," unless a "spoil" is attached to furnish the inducement. It is generally found that the average salesperson will show the merchandise in which he has a full line of sizes and styles so that the customer may make an easy selection.

Handling Old Shoe Stocks. A "hive-wire" shoeman has found a way to keep his store clean of old stock. Up to two years ago he had many troubles and sleepless nights. After several months spent in making a study of his store, his salespeople and their methods, and his stock, he decided to move

all the old stock to the most accessible place on the shelves. Frequently he found it necessary to change the lot number in order to hide the identity of some certain shoe. This caused some of his clerks to show certain numbers without recognizing them as "stickers." Whenever any number in stock begins to slow up in selling it is moved so as to be most convenient to the salesperson. The salesperson is instructed to show merchandise first from these shelves. When the merchandise becomes a real "sticker" it is moved to the counter-bargain department. The price is cut sufficiently to make it move. In this way the merchant has built up a good business, as well as found a way to keep his store clean. This is one of the cleanest shoe stocks in the State.

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Merchants in all lines of business make a mistake in putting the good sellers out where they will be seen and pushed, and the old stock out of the way, where it may remain until the next inventory season. Why not put some of the merchandise that is called for every hour in the day under the counter? There is no chance of it becoming forgotten. The old stock should be placed before the public and kept there. Goods that remain on the shelves are wasting time and money for the merchant. Why not admit the mistake, cut the price, no matter what the sacrifice, and get rid of such merchandise? It pays in the long run every time.

Keeping Fixtures in Good Condition. Counters and cases should be cleaned with furniture and glass polish at least once per week, rubbed with cloths each morning, and dusted at numerous intervals during the day. It does not pay to have the customer detect any dust or dirt on the counter. It frequently happens that there is dust on the counter, and when merchandise is placed on the counter the dirt flies up on the customer, or the delicate article being shown is soiled. Salespeople have plenty of time during the day, and they should become accustomed to dusting the counters once per hour, whether the counters need it or not.

Arranging Counter Displays. After cleaning counters and cases each morning some kind of a display should be made. Unit displays are the most effective. For instance, the toilet-goods cases should have a small unit display of toilet goods cleverly displayed on the top of the case. Piver's goods will serve as an example.

Florayme extract (essence), small, medium, and large.

" Toilet water.

" Eau végétal.

" Savon (soap).

" Poudre de riz (face powder).

" Poudre à sachet.

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The line can be displayed in such a manner as to attract the eye of the prospective customer. The second morning a different line should be shown, displayed in a different way; and so on until the entire stock has been shown in this manner. The grocery department can use a different line of canned goods each morning, carrying out the same idea.

Keeping Cartons in Good Condition. In order to keep the appearance of the store at its best, the salespeople must be made to put up the merchandise after they have served the customer. This must be done not only to preserve the appearances, but to reduce the losses caused by damaged merchandise. Two years ago, while in Green Bay, Wisconsin, the writer had the extreme displeasure of observing a poor sales-girl attempt to make a sale. The counters were not clean, to begin with, as there was a pile of merchandise already there which should have been previously replaced on the shelving. The girl's customer wanted something for an evening dress. The girl began showing delicate shades in taffetas, satins, and charmeuses. Ten or twelve pieces were shown when the customer decided that she would like to see what nets, combined with the satins, would look like. The girl showed several pieces of net, then brought several dirty, dusty stock-boxes, full of chiffons, and placed the boxes on top of the delicate silks and nets. Needless to say, the customer did not buy. She walked out looking rather disappointed. The girl went back, put on her hat and coat, and walked out of the store to go to lunch, leaving the entire lot of merchandise on the counter just where she had left her customer. No wonder the customer did not buy and that the store is doing less business than it should be doing. A clever salesperson could have handled this particular customer, and put up the merchandise as quickly as the customer showed that she did not care for

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it, after having placed something else on the counter. Three or four pieces could have been left on the counter at all times. The customer would have had fewer pieces to become confused over, and the chances for a selection would have been much greater. The salesperson would have had little trouble in replacing the four pieces to the shelving before attempting to serve the next customer or going to lunch, and nothing would have become soiled and damaged.

The Importance of Stock-recording. A small haberdashery, on one of Chicago's busiest corners, is doing a business of \$150,000 a year in a surprisingly small space through the aid of a systematic method of stock-keeping and recording. A small stock-room on one of the upper floors is connected by a square chute with the main store. A reserve stock of merchandise, sufficient to supply the demand for four days, is kept under the care of a stock-man in this stock-room. The salespeople, when in need of merchandise, may telephone, by the use of a house telephone connecting the store with the stock-room, and the merchandise is immediately dropped down the chute, the only outlet of the stock-room. The bulk of the merchandise, being staples, may be obtained from manufacturers or jobbers on several days' notice; in fact, some of it may be had the same day the order is delivered. Hence the method of stock-recording in this case is very important.

The merchandise loses its individual identity upon being received. It is immediately given a number which denotes what the commodity is, the style, color, etc. The size, should it have one, is written, in each case, after the number. For instance, 1890-33-14 would denote the article sold was a shirt, all one-thousands being shirts, and 33-14 would denote the size, 33-inch sleeve, and 14 signifying the size of the neckband. By referring to the stock-book, page eighty-nine, the second and third figures furnishing the page key, number

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1890 shows the name of the manufacturer from whom purchased, the pattern, and the color.

Four cashiers are used in the store during busy hours, and these have little or no regular work to do during the early forenoon when trade is not brisk. They each spend several hours sorting sales-tickets, keeping each commodity separate. All shirt tickets are put together; likewise hosiery tickets in another pile, and so on. A chart is then made showing what merchandise has been sold, in order that re-orders may be intelligently made. Merchandise is ordered daily in some lines, or every second day, and in other lines every Monday morning, and the merchandise, mainly from local manufacturers or jobbers, is usually received within twenty-four hours.

Stock-recording with this store is very necessary, as its unusually small floor space calls for a well-systematized recording method. With this system, however, the store makes many times the stock-turns of the average store. The floor space, being so limited, calls for unusual attention to the merchandizing, and this attention assures frequent stock-turns and little dead stock.

Stock-recording Systems. There are many simple methods of stock-recording. One store makes use of an ordinary note-book, entering commodities received, consecutively numbered (separating each shipment by a blank line), together with the name of the manufacturer from whom received. The merchandise is given the same number as entered in the book, together with the price-mark, for future reference. This system is adaptable for grocery, hardware, and drug stocks, as well as dry-goods and haberdashery stocks.

The following more elaborate system, which is practical for any type stock of merchandise, is particularly adapted to a piece-goods stock. Regular boards and caps or metal-

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bound tags are attached securely to the bolt as soon as it reaches the stock-room. On this tag is recorded the date upon which the merchandise was received, the place where the necessary data pertaining to this particular piece, such as from whom purchased, cost, shade number, etc., may be found, the name of the material, width, and sale price. An ordinary stock-book is used, and entries are made as soon as the merchandise is received.



XIII

INSTRUCTION TO SALESPeOPLE

"Why don't you sell your goods to your clerks?"

"Why, what do you mean?" said the grocer.

"Watch that sale over there and you will see," replied the visitor.

A customer was attempting to purchase canned tomatoes. It seemed that the customer was undecided between the ten- and the thirteen-cent cans, both being the same size. The clerk was unable to tell the woman the difference in quality, and in fact went so far as to say that he did not think there was much difference, as both cans were put out by the same concern. Finally the grocer had to take a hand in the sale. He explained to the customer that the more expensive cans were filled with rich, red whole tomatoes, and a little juice; while the other can was filled with broken fruit, of a slightly discolored appearance, with plenty of juice. Of course he sold the better goods once he had explained the difference.

The grocer, preferring to sell the better grade, as there was a larger margin of profit, should have opened one of each of the cans so that all of his salespeople might have learned the difference. This instruction would have cost nothing, as the opened can could have been utilized in one of the homes of some member of the store family, who would willingly have paid the cost price. It would have enabled all

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of the store people to talk intelligently on this one commodity, and it would have enabled them to get the customer's confidence.

In a companion volume of this series on *Retail Selling* will be found a full discussion of the subject. The purpose of the present chapter is to emphasize the buyer's relation to the instruction of the clerks, particularly in merchandise, for it is apparent that the one who bought the goods is most familiar with it, and therefore best able to explain its merits to others. Therefore it is quite logical, even in large city department stores which maintain elaborate educational organizations, that the work of instruction in merchandise, and in handling the merchandise, should devolve upon the buyers, and equally that this function of the buyer be included in a treatise on his work.

Meetings for Discussion. There are many methods used by buyers in giving the necessary information to the salespeople and in training them to greater efficiency. Meetings of those who are selling, with demonstration sales, and discussion of those sales, often bring out points which the buyer feels those selling need. One buyer, who conducts meetings of this kind, watches the salespeople during the week, making note of the points of salesmanship which he considers especially strong or weak. In the discussion after the demonstration sale he will ask, for example, "Miss Jones, if a mother and her daughter were together, and the daughter wished to buy French heels, and the mother wished her to have common-sense heels, what would you do?" In these meetings new points concerning the merchandise may also be presented. This same shoe buyer explains every week any new merchandise which has come in, or any points in regard to newest styles which he feels is important. The girls themselves, who have charge of any part of the stock, often give points of interest concerning the merchandise.

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Printed Information. Another method of instruction is to place at the disposal of the employees such trade journals or manufacturers' publications as will be helpful to them. For example, Hart, Schaffner & Marx issue publications explaining the manufacture of their clothing, and suggestions which they feel will be helpful to the retail clothier and his clerks. The buyer can obtain these by inquiry, and can encourage his salespeople to read them. It is becoming more and more the custom for manufacturers to issue publications of this kind, and they are glad to send them to the buyers who are interested, even though not purchasers of their goods.

Bulletin-boards. One effective means of interesting the employees along this line has been found to be through a bulletin-board, on which is posted a list of the articles which the buyer considers important. Here is also posted a list of the new merchandise and any other information to which the attention of the employees should be called.

Personal Attention. Of course it is not possible to make every clerk take advantage of such training, but the live buyer who is working continually with his people can weed out the people who do not develop and employ fresh material to take advantage of his training. Frequently a high-grade salesgirl may be found in this fresh material. Shortly before this was written, a green country girl applied to a ready-to-wear buyer in an Eastern city for a position. The buyer, not having much faith in recommendations, asked what experience she had had and what salary she had received. The girl replied that she had spent four months working in a fruit-store, receiving four dollars per week as compensation. She added that she did not care for that kind of work, and that she wanted an opportunity of making good in a live department. The girl was so earnest in her convictions that the buyer engaged her to begin working the following

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morning. She was instructed to spend the first week going through the stock and observing the girls selling on the floor. At the expiration of this period she had learned that every customer was to be approached the moment she entered the department and greeted with a smile and a cheery "Good-morning" or "Good-afternoon," as the case might be. During the week she had learned the other simple principles of salesmanship, as well as some little knowledge of the merchandise she was to handle. Soon she was selling more goods than any other girl on the floor, because she had high aspirations and because she took advantage of the opportunity and of the suggestions of the buyer. The buyer had, however, carefully observed her selling-methods and had frequently asked one of the older girls, in this girl's presence, whether or not she did not think a certain method—as, for instance, one demonstrating how to put the coat properly on the customer—the best to use. The girl, being quite apt, quickly grasped the point and changed her methods accordingly. In addition to this, sales demonstrations were frequently staged, one girl acting as the salesgirl, another as the customer, and the remaining members of the force criticizing the methods used in the selling. Not only the new help profited through these demonstrations, but many of the older people realized that there were better methods than the ones which they had been using for years.

Teaching Points on Merchandise. The merchandise is naturally the most important thing to know about. That kind of information is necessary every moment in the day, as the customer generally asks sensible, logical questions about the merchandise which she contemplates purchasing. She wants to know about the things which enter into the manufacturing of the commodities, and the length of service they may give. The salesman must learn how to pick the commodity to pieces in order that the most important selling-

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points may be given to the customer without any hesitancy. Even ordinary sausage has selling-points. The customer purchases sausage to eat. Consequently taste is the most important feature. The kind of pork used, as well as the spices; the maker's name and the place of manufacture, as well as many other points, are of value in creating a desire. The salesman is, after all, a creator of wants, and in order to create these wants, whether it be for sausage, corsets, furniture, or coal, the salesman must know his merchandise.

Of course, the same feature that would appeal to one customer might not appeal to another. For instance, using a piece of furniture as an illustration, we have the following points to talk: Style, price, exclusiveness, service, maker's name, testimonials, reputation, etc. One customer might be interested in how this furniture would wear, while another would care more about the style. The average customer does not tell us what points she is the most interested in. Consequently the salesman must be capable of judging his customer in order that he may not bore her by taking up her time in telling her something that she does not care about hearing.

Below are listed some of the important facts about several commodities, which will serve as an example of the type of information which should be provided clerks.

TALKING-POINTS FOR CLothing SALESMEN

There are clerks who know that a certain suit is a good suit. There are others who know *why* a good suit is a good suit. Both kinds are employed in the men's-clothing department.

Everything else being equal—native intelligence, interest in the work, knowledge of the principles of salesmanship, energy, and alertness—the *why* clerk will sell the more. If he does not make the greatest number of sales he will, at least, make them in a more

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creditable manner than the clerk who is only able to say, "Here is a good suit of clothes and it is just your fit and model." He can call attention to distinguishing points in fabric, fit, style, workmanship, and finish that will interest and impress his customer and in the long run add to the customer's satisfaction. And, as every one knows, the satisfied customer is the best asset in building profitable business.

Instruct the Salesmen. If it were a physical possibility, no retailer could do better than take his corps of men's-clothing salesmen through the factory of a reputable manufacturer of men's clothing, under the direction and guidance of the manager of the house or the foreman of the factory. The suit in the making presents selling-arguments that are not apparent to the clerk who has seen only the finished garment, but which will prove invaluable to him in his relations with customers. This article is for the purpose of providing retail salesmen with these talking-points.

Testing the Fabric. The making of a suit actually begins in the receiving-room, where the cloth that is to go into the suit first lands in the factory. In the receiving-room the cloth is tested for quality, strength, weight, and color. That is, its suitability and quality are determined before it is taken to the next process in the making. The tests are simple, so far as making them goes, but what they bring out about the goods is of the utmost importance in the building of a finished garment that is to give the customer satisfaction, and the manufacturer and distributor reputation for value.

No matter what the cloth is—cheviot, worsted, cashmere, flannel, or whatever—it is tested for strength with a view of ascertaining its quality and durability.

A small strip is taken from every bolt of cloth as it comes into the receiving-room and is put on a machine designed to register the resistance of the fabric per square inch. Each end of the strip is placed between clamps, and these are forced away from each other by a screw, subjecting the cloth to a strain of 20, 30, 40, or more pounds to the square inch. The better manufacturers of men's clothing consider this test essential if the customer is to get the best for the money. It tells whether the goods are made of good raw material, and whether that material is properly spun, woven, and finished.

Tested for Weight. After the fabric is tested for strength, it is tested for weight. A weighing-machine, built especially for the purpose, is used. It is graduated in such a way as to show whether

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the fabric weighs 10, 11, 12, 14, or 16 ounces to the yard. What a piece of goods weighs has a bearing on what it should be used for—summer clothing, winter, or spring clothing—and what service it should give, besides showing whether or not the material is up to the required standard. The weighing-machine is so delicately adjusted that the slightest variation is registered when a piece an inch square is weighed.

Color, Pattern, Etc. A third test, made by an expert in color, is made to ascertain whether faults exist in color, etc. A sample-book made of swatches of every piece of goods that has been ordered is kept in the receiving-room. After the piece, 50 to 80 yards in length, is received it is compared with its corresponding swatch in the color-book to see if it is right in shade, pattern, and similar details. This is done to make sure that all the suits of the same fabric will be uniform as to color.

For Defects in Weave. A fourth test, and an important one, is made for defects in the weave. The piece of goods is unrolled and drawn over a frame called a "perch," being carefully examined for holes, broken threads, threads of the wrong color, or, in fact, any other defects that would detract from the quality of the suit. When the examiner finds fault he ties a white string in the margin of the piece, so as to mark its location. Then the cutter, on beginning his work, can avoid using that portion of the goods. The tests made on this "perch" insure that the customer gets a suit that has no defect in the weave or color.

Evidently the clerk who is familiar with these tests is in a position to infuse some interesting, intelligent, and convincing arguments into his selling-talk.

For Correct Measurement. A fifth operation in the receiving-room is a test only in the sense that it shows how many yards of goods there are in a piece. This operation is carried out on a machine consisting of a revolving drum and a meter to indicate yards. One end of the piece of goods is fastened on the drum, and as the drum revolves the yardage is registered on the meter. Thus the clothing manufacturer avoids paying for more goods than he has received.

After the piece has been measured it is folded to await orders for cutting.

Sponging and Shrinking the Cloth. After the indications of the cloth as material for a suit of clothes have been thus determined, it is subjected to the sponging or shrinking process. In this con-

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nection it may be remarked that the foundation of a good suit is laid in the shrinking-room.

No matter how high the quality of a piece of woolen or worsted fabric, it is likely to be stretched, either intentionally or unintentionally, in the process of making or rolling at the mills. If made into a suit before being shrunk it would do its shrinking on the wearer's body, through rain, or even from dampness in the air.

"London" shrinking, or "cold-water" shrinking, as it is called, takes up the slack in the goods. There are two important steps in this process. The first is the wetting process. The piece of cloth is placed between pieces of heavy wool cloth that have been soaked in cold water and have absorbed all the moisture they will hold. One of these wet cloths, after being dipped in a tank of cold water the width of the goods to be shrunk and about five feet long, is laid on a platform. The goods to be shrunk are laid on the wet cloth and folded a certain number of times, according to the weight of the fabric. If it is thin, more folds are made; if it is thick, less. Then another wet cloth is placed on top of the folds.

This process, a wet blanket, and then two or four folds of the cloth, is repeated until the pile is six or seven feet high, and weighs altogether—wet cloths, water, and goods—several tons. The goods remain in this state for from eighteen to twenty-four hours and gradually become as wet as the cloths.

Drying the Cloth. After the wetting process comes the second step—the drying. The goods are taken from between the wet blankets and hung up to dry by natural means, no artificial heat being employed. The piece of cloth is hung up on racks. Its own weight tends to stretch it while it hangs, but it is hung high enough to prevent its touching the floor, as that would arrest the shrinking process. After it has thus dried, it is honestly London shrunk. It cannot shrink on the wearer.

Subjected to Heavy Pressure. After being taken from the drying-room the cloth is subjected to a further finishing process. It is laid in folds between heavy squares of cardboard and put into a finishing-press. Between every sixteen folds a hot iron is laid, and the whole pile—folds of goods, pieces of cardboard, and hot plates—is subjected to hydraulic pressure.

After this the cloth is taken out of the press and folded by hand to prevent stretching, which would partly undo the good accomplished by the London shrinking.

Not only is the cloth shrunk, but the better houses also submerge

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all the tape, haircloth, and canvas used, thus bringing all the building materials that go into the suit to a state of perfect uniformity so far as shrinking goes.

Steam Shrinking. Steam shrinking is used for certain purposes by the better houses, but not as a substitute for London shrinking. In this process the cloth is run over a drum, from which escapes a column of steam, and is wound around a cylinder. It is then unrolled and left standing in folds until placed in the drying-room.

After the London-shrinking process, and the finishing process, which smooths out wrinkles and gets the cloth into good shape, it is ready for the cutting room.

The Cutter's Pattern. The designer has, of course, done his work before this stage of the process is reached. He has originated style ideas which embody the best views of the trade for the coming season. Much of the designer's work is intangible—the combining of style and fashion trends into an idea or number of ideas which will meet with the needs of the trade and be in conformity with the prevailing style in men's clothes. What he does to get his ideas is not of great use to the clerk in selling. But the clerk should know how his ideas are given tangible form and what their relationship is to the cutter's pattern.

The cutter works from block patterns. These are the designer's ideas in tangible form. They are made from what are called "black patterns," the first pattern the designer works out of his ideas and adaptations of what will be the mode in men's clothes. The black pattern is so named because it is made of black paper. The designer originates the black pattern for, let us say, a size 37 sack suit. The style of the season is to be a sack suit, coat 29 inches long and shoulder $17\frac{1}{2}$ inches in width.

Model Closely Examined. One suit is cut out from the black pattern and then made up. This is an experimental model. It is examined, discussed, and criticized from every possible angle—width of lapel, length of coat, set of shoulder, width of shoulder, everything that pertains to its shape and design, everything that will affect its looks, fit, comfort, and adaptability to the use for which it was originally intended.

When this experimental model meets the approval of all concerned in its making, block patterns for the cutter's use are made in all sizes, from 37 up to 42, and from 37 down to size 33. It must be understood that this is the process for

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one model only—a sack suit. Every model and the pattern for it are created in the same way.

When the patterns for a season are completed by the designer and are in the cutting-room the cutting begins.

The Hand-cutting Process. All the better manufacturing houses cut by hand, contrary to the prevailing idea that fifty or sixty or more suits are cut out at once by machinery. Hand-cutting assures perfect fit and proportion in every garment. In cutting goods by machinery the size scale in the top and bottom suits of the pile is likely to vary.

In the cutting-room of the manufacturing house will be found long tables on which the goods are laid out for cutting. The pattern is marked out for a whole suit. The patterns, made of cardboard, are laid out on the piece of goods which is to be cut and are marked with chalk.

All the different sections of the pattern, when placed in position for cutting, form a "lay." It is several yards long. The parts of a "lay" are identical with the parts of the pattern, but they are laid in three rows side by side, instead of in a strip, as the cutter would lay them.

Cut With Shears. When the pattern has been traced it is cut by hand with shears, just as a custom tailor cuts out a single garment. All the parts of cloth are then done up in bundles—a bundle for each garment: coat, vest, and trousers—and each bundle is ticketed. After the suit is cut out the lining is matched up from a swatch of the cloth.

It should be added here that the lining is measured and cut by hand just as the cloth is, and with just as much care and attention to detail.

Pattern Parts for Sack Suits. The pattern parts for an ordinary sack suit are as follows: Coat: (1) fore part, (2) back part, (3) facing, (4) top sleeve, (5) undersleeve, (6) collar, (7) under-collar. Trousers: (1) fore part, (2) back part, (3) waistband, (4) fly. Vest: (1) fore part, (2) back part, (3) facing, (4) pockets.

When all the parts of a suit, pants, vest, or an overcoat are cut out of the cloth, and the lining has been cut out to match, the bundle, lining and all, is ready to go to the factory, where work is begun on it.

Factory or Making Department. Let us take the coat now, for example. Its seven parts of cloth and their corresponding parts of lining are matched for fittings. This means: flaps for pockets,

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stitches to indicate where buttons go, and the matching of stripes, checks, and patterns—patterns in the sense of figures in the goods, not in the sense of the outline the cutter follows.

Matching for stripes or checks simply means that if the goods are striped, for example, the stripes on the pocket must coincide with the stripes in the coat, and the stripes must coincide in any other place where two pieces of goods meet, as the vent in the back of the coat, or the sleeve where it is joined to the shoulder. The same holds good for checks or any other pattern in the cloth. The clerk should remember this when trying to convince the customer that the suit he is buying is of high grade.

Sixty-four Operations on Coat. After the "fitting" operation there are sixty-three separate operations through which the coat passes before it is finished—sixty-four in all. These operations are all technical and are enumerated here in order by their technical name, as a matter of interest, not as material for clerk argument. They are all details of putting together the parts of the coat, vest, or trousers:

- | | |
|---------------------------------|---------------------------------|
| 1. Fitting | 22½. Felling silk lining |
| 2. Pocket-making | 23. Edge-stitching |
| 3. Joining | 24. Buttonholes |
| 4. Underpressing | 25. Felling-basting |
| 5. Making canvas and collar | 26. Pressing off |
| 6. Baste canvas | 27. Button ticket |
| 7. Tack pockets | 28. Quilted shoulder |
| 8. Pad lapels | 29. Basting |
| 9. Baste edge stay | 30. Baste pleats |
| 10. Felt edge stay | 31. Open vent, sleeve |
| 11. Lining-making | 32. Baste silk fag |
| 12. First basting | 33. Serge sleeve |
| 13. Edge-seaming | 34. Basting velvet collar |
| 14. Edge-basting | 35. Back skirt |
| 15. Second basting | 36. Pad collar |
| 16. Sleeve-making (machine) | 37. Felt velvet collar |
| 17. Sleeve-making (hand) | 38. Baste outside breast pocket |
| 18. Sleeve, collar, shirt seams | 39. Baste ball pockets |
| 19. Shoulder-basting | 40. Cuff making |
| 20. Shaping collar | 41. Felt linings |
| 21. Put on top collar | 42. Felt ball pockets |
| 22. Felt lining label hanging | 43. Felt sewing |

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|--|---|
| <p>44. Baste lap., fell ed.
 45. Private st. edge
 46. Put on under-collar
 47. Stitch under-collar
 48. Hand canvas
 49. Piping seams
 50. Fitting machine plds.
 51. Piping bell pockets
 52. Buttonholes on sleeves
 53. Stitching armholes</p> | <p>54. Shoulder seams
 55. Strap seams, body
 56. Strap seams on sleeve
 57. Catching down edge
 58. Sewing around pockets
 59. Baste sides $\frac{1}{4}$ ld. acks.
 60. Tacking flies
 61. After pressing
 62. Armhole pieces $\frac{1}{4}$ ld. coats
 63. Basting fly</p> |
|--|---|
64. Stitching fly

Between the cloth and the lining of a coat are found the felt padding, the haircloth, and the canvas, all materials which hold the coat together and make it keep its shape. The vital point is this: In a coat made conscientiously each part is pressed as it is put on. In other words, the felt is pressed, then, when the haircloth is joined to it, the seam is pressed again; when the canvas is put on the seam is again pressed, and so on until the coat is finished and receives its final pressing before going to the drying-room, where it is hung up on a coat-hanger for twenty-four hours or more.

In the cheaply made suit the parts are all thrown together and pressed once into shape—a shape that will hold only temporarily.

Finishing and Examining. Now the finished garment goes to the examining department. Here it is subjected to the keen eyes and expert scrutiny of a force of men who see that every step in the making process has been faithfully and accurately carried out. Every operation of every tailor is examined and checked up.

This is a most important department and a good clothing manufacturer is known by the skill and conscientious care with which his finished garments are examined.

Suppose an examiner is going over a just-finished coat. He looks for defects in workmanship, in proportion; he looks for stains, spots, or flaws in the cloth or lining. He finds a sleeve too long or badly sewed; he finds a pocket is put in crooked. He pastes a piece of paper at the flaw. It reads: "Sleeve open," or, "Pocket not straight," or, "Buttonhole not finished," and so on.

When the defects are all discovered and marked, the garment is sent to the busheling department, where the defects are corrected

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by skilled workmen. Then the garment or suit is taken to the stock-room and is made ready for shipment to the retailer.

Here the manufacturer leaves off and the clothing clerk begins.¹

FURNITURE

The following questions will serve as a type of the information which should be had by the furniture salesman. It will apply to any piece of furniture.

- (a) Of what wood the piece is constructed, and the principal characteristics of the various kinds.
- (b) Reasons why the wood used is the best suited for that kind of furniture.
- (c) Construction, its special features and workmanship.
- (d) Is it solid, veneered, or imitation?
- (e) Points of excellence of each kind.
- (f) Relative value of each kind.
- (g) Durability and serviceability.
- (h) Finish, gloss, rubbed, or dull.
- (i) Advantages of the different finishes.
- (j) Glass and trimmings, quality and looks.
- (k) Appearance or beauty of shape and what makes or mars it.
- (l) Prevailing style in use.
- (m) Price and reasons for it.
- (n) Price as compared with that of competitors.

LINOLEUM

- I. Where the stock is located in the store, both the reserve and active stock.
- 1. Quantity on hand of the various grades; only the approximate amount is necessary.
- 2. Patterns in stock.
- 3. Widths in stock.
- 4. Cost and selling price of each piece.
- 5. The manufacturer of each piece and where it is made.

¹ Taken from *Dry Goods Economist* by J. J. Russell.

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- II. The salesman should be familiar with the selling-methods of the house, cash or instalment. Whether or not an extra charge is made for laying.
- III. The salesman must know linoleum. Since this commodity is composed of ingredients collected from all over the world, a man who knows linoleum must have some technical knowledge and some familiarity with commercial geography.
 - 1. How is linoleum made; the stamped, granulated, and straight line inlaid.
 - 2. What are the various materials entering into its production and where are they secured?
 - 3. How is it printed; how are the colors and designs produced?
 - 4. Factors affecting the supply and demand of these raw materials.
 - 5. Should be able to tell something concerning the history of the product.
 - 6. Wherein the superiority of particular brands lies.
 - 7. Should know and be able to make the customer understand the difference between linoleum and oilcloth or other substitutes.
- IV. The salesman must know how to cut linoleum so as to minimize wastes from matching. Should be able to figure the price accurately, and to take accurate measurements.
- V. The salesman should know for what a particular grade or pattern is best adapted.
- VI. He should be able to suggest new uses. For instance, in Europe linoleum is used in practically every room of the house. If possible the salesman should provide himself with pictures showing the various uses of the product which are unfamiliar and new to the American consumer.
- VII. He should have certain talking-points, and these organized so that he may talk his product intelligently. Take, for example, the sanitary advantages of linoleum, the care of linoleum--how its life may be prolonged.

With this knowledge, the salesman should be able to deliver an interesting as well as instructive lecture on linoleum. Such a lecture is unnecessary every time he shows the prod-

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uct, but there are many instances where just such a talk will "take" with the customer. This information will enable the salesman to inspire confidence in the mind of his prospect: a man who knows his business can always command a hearing. Yet with this knowledge there is one more thing requisite to a good salesman, and that is

VIII. The salesman must know his customer, or must find him out. This will assist him in planning his attack.

Shall the salesman appeal to the saving instinct? Shall he make an appeal to the esthetic sense? Or shall he talk quality and durability?

1. The salesman should know something of the financial ability of the prospect.
2. Something of the prospect's tastes, his habits, and his home life.
3. Has the prospect bought any hardware recently from the salesman's house or a competitor? If so, was the purchase satisfactory?

COFFEE.

Raised in Brazil, Venezuela, Colombia, Bolivia (this is supposed to be the best quality of coffee produced), Peru, Guatemala, Jamaica, Arabia, India, British Central Africa, Ceylon, and Dutch East Indies (Sumatra, Celebes and Borneo are known as Java produce).

Plant grows to eighteen feet in height and is dark green in color.

The fruit, or so-called "cherrie," are at first a dark green, but as they ripen gradually change to yellow and then to red. The outer portion of the fruit is fleshy, like a cherry. Each fruit contains two seeds, covered in turn by a dry smooth straw-colored husk, known as "parchment." Between each seed and the parchment is a thin covering known as "silver-skin." In Brazil there is a very rare variety known as Hybrid-coffee, the fruit of which contains four or six seeds.

Picking.—Ripe cherries are stripped from the branches by hand.

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Preparation.—Both the dry method and the wet method are used.

Dry Method.—Fruit is allowed to dry and ferment. May be stored and the hulling done at some future time.

Wet Method.—Fruit dumped in large tanks of water. Ripe cherries sink to the bottom, while unripe and bad fruit float on surface. Ripe cherries are carried from tanks, by means of pipes, to pulping-machine.

Pulping.—Cherries are reduced to a pulp by a revolving cylinder. This mixture is conveyed to water-vats, where seed sink and the pulp rises to the top.

Fermentation.—Seed are allowed to ferment for forty-eight hours.

Washing.

Drying.

Peeling and winnowing.—A simple rubbing process gets rid of the silver skin.

Sizing.—To secure uniformity in size.

Examining.—Taking out any defective seed.

Packing.

Shipping.

Roasting.

Glazing.

Blending.

Grinding.

The stimulating and refreshing action of coffee is mainly due to the presence of caffeine and volatile oil.

CHICORY

Chicory is prepared from the fleshy roots of *Cichorium intybus*, a plant closely resembling lettuce, and found wild throughout Europe, North Africa, Siberia, and Northern India. Up to the European War the great bulk of the present day came from Belgium.

A simple test whereby to detect the presence of chicory when mixed with ground coffee is to put a little of the ground material in a glass of water. Coffee remains hard and floats on the surface for a long time; chicory soon softens and sinks, coloring the water more or less brown.

Other substitutes found in coffee.—These vary much, including

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cereals, sawdust, bark, cacao husks, acorns, figs, lupine, peas, beans, and even baked liver.

TEA

Tea is prepared from the young leaves of the tea plant, *Camelia thea*.

Introduced from China about 1657. Produced by India, China, Ceylon, Japan, and Java.

The leaves are picked from the plant about April 1st. The leaf-buds are just beginning to form. This first picking produces the finest quality of tea. The leaves are picked every three weeks for, possibly, four pickings. The last picking produces poor quality of tea.

Green and black tea may be produced from the same plant.

Green tea.—The leaves are cured as soon as plucked, while green.

Black tea.—The leaves are allowed to wilt and ferment before curing.

Method of curing.—The tea-leaves are placed in shallow, circular pans and placed in ovens. The heat causes the leaves to crack and become moist. The leaves are placed on bamboo tables in this pliable condition. Men rub the leaves between their hands, as a baker would work dough. Moisture is pressed out.

Baked.—The leaves are baked. This causes the leaves to lose moisture, to twist and curl.

Sorting.

Packing.

COAL

Facts a salesman should know about anthracite coal:

The best grade of anthracite contains about 91 per cent. carbon and 4 per cent. volatile combustible matter, with a very low percentage of ash. Burns regularly and evenly with an intense heat. It is bright, clean, well prepared over roller screens, and free from slate and stone. It comes in the following sizes.

Egg and stove are used in large, hot-air and hot-water or steam furnaces, and with pea coal for banking.

Stove coal is excellent for smaller furnaces, used with buckwheat for banking.

Stove and nut or nut alone is used in heating stoves.

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Pea coal is excellent for ranges and little heaters, but requires lots of draught on account of gas.

Hard coal is cheapest in April, and the price raises ten cents per month for five consecutive months.

SOURCES OF INFORMATION ON MERCHANDISE

The following list of publications, issued by manufacturers, shows the kind of descriptive material which can be obtained by the buyer:

Books.—*The Story of the Making of a Book*. Charles Scribner's Sons, New York City.

Pencils.—*Pencil Geography*. Joseph Dixon Crucible Company, Jersey City, N. J.

Linoleum.—*As Told in the Store*. Armstrong Cork Company, Pittsburgh, Pa.

Wool and Cotton.—*Textiles*, by Paul H. Nystrom. D. Appleton & Co.

Leather.—*The History of Tanning*. Pfister & Vogel Leather Co., Milwaukee, Wis.

Rubber.—*Rubber from Forest to Foot*. United States Rubber Company, Fifty-eighth Street and Broadway, New York City.

Plate Glass.—*The Making of Plate Glass*. Pittsburgh Plate Glass Company, Pittsburgh, Pa.

Flour.—*The Wheat and Flour Primer*. Washburn-Crosby Company, Minneapolis, Minn.

Soap.—*The Larkin Idea; Its Home*. Larkin Company, Buffalo, N. Y.

Sugar.—*Some Interesting Facts About Sugar*. American Sugar Refining Company, 117 Wall Street, New York City.

Tapioca.—*The Story of Tapioca*. Minute Tapioca Company, Orange, Mass.

Soups.—*Franco-American Soups; How They Are Made in a Model Establishment*. Franco-American Food Company, Jersey City Heights, N. J.

Fish.—Bureau of Chemistry, Washington, D. C.

Binder Twine Industry. *The Story of Bread. Harvest Scenes of the World*. International Harvester Company, Harvester Building, Chicago, Ill.

The Man Who Didn't Know When He Had Failed. Carborundum Company, Niagara Falls, N. Y.

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Cork; Being the Story of the Origin of Cork. Armstrong Cork Company, Pittsburgh, Pa.

Pictures of Cotton and Woolen Manufacturing. Chamber of Commerce, Manchester, N. H.

Preparation of the Cod and Other Salt Fish for the Market. Bureau of Chemistry, Washington, D. C.

Hemp, by Lyster H. Dewey. Department of Agriculture, Washington, D. C.

Linon, Jute, and Hemp Industries in the United Kingdom. Bureau of Foreign and Domestic Commerce, Washington, D. C.

Lumber. The Pine Cone. 1011 Germania Life Building, St Paul, Minn.

The Making of a Great Newspaper. *New York World*, New York
Potash Industry. German Kahl Works, McCormick Building, Chicago, Ill.

Rice and Rice Cookery, by Miriam Birdseye. The Rice Millers' Association, Room 209, Kyle Building, Beaumont, Texas.

Salmon Data. Salmon Cannery Association, Seattle, Wash.

The Silk Industry from the Worm to the Weaver. M. Hemmway & Sons Silk Co., 890 Broadway, New York City.

Silk; Its Origin, Culture, and Manufacture. Corticelli Silk Mills, Florence, Mass.

Sugar-cane and Syrup-making. Agricultural Experiment Station, Gainesville, Fla.

History of Tanning. Pfister & Vogel Leather Co., Milwaukee, Wis.

Vanilla. Joseph Burnett Company, 56 India Street, Boston, Mass.

XIV

CO-OPERATION IN ADVERTISING AND DISPLAYS

The Buyer's Responsibility in the Advertising. Advertising is a direct appeal to the public—a method used to create public sentiment favorable to a retail store, to draw trade to the store, and to make customers of it as well as satisfied purchasers. For the purpose of having the responsibility of this work rest upon one individual, an advertising-manager is usually engaged. But of course there are many thousands of small stores where the advertising is handled by the proprietor or manager, and most frequently by the person who does the buying.

Whether a store has an advertising-man or not, the buyers should be able to write clear, concise, and convincing descriptions of the various lines they buy. In a large store having several buyers each should co-operate with the advertising-man in the writing of copy for advertising their particular lines. In its last analysis, the buyer is closer to the product which he buys than any one else in the store. For this reason he can readily furnish the advertising-man with the talking-points of his merchandise with this viewpoint in mind. Thus his help proves of inestimable value to the advertising-man who works the material over and writes it up according to the accepted principles of good advertising copy.

The Advertising-man's Responsibility to the Buyer. Likewise there is an obligation on the part of the advertising-

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manager to reciprocate. He should take the buyers of the store into his confidence and enlighten them on the store's advertising appropriation and what disposition is to be made of it. He should explain the reasons for using certain mediums, and, in fact, give the buyers a liberal education in the store's advertising methods. Where such a spirit of co-operation exists little friction will arise between the buying and selling ends of the business. There will be a sympathetic attitude to take its place. The buyer will know the nature of the advertising-man's problems, and *vice versa*.

It is not feasible to attempt in this volume a discussion of the principles of advertising, for the subject requires a full volume elsewhere in this series. The author must therefore be content with this brief discussion of the necessity that the buyer should be familiar with the fundamentals of the subject, and thus be able to write simple copy, as a basis of the advertising-manager's work, or for actual use in case there is no one on the store's force assigned to the advertising.

Co-operation in Display Work. In the case of the interior and window displays the relation of the buyer is even more close, and consequently many stores which have a separate executive for the publicity work depend upon the one who buys each line of goods, with his clerks, to see to the displays. Fortunately the subject is not so intricate as advertising, so that it may be more readily learned by one who knows merchandise and merchandizing. Consequently it has seemed to the author feasible to cover the general principles in this chapter, both from the standpoint of co-operation with the display-manager, or "window-trimmer," as he is more commonly called, and from that of display work on the part of the buyer who must look after his own displays with the assistance of his clerks.

The Value of Good Displays. The old adage, "Goods

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well displayed are half sold," has certainly been proved time and again by the department-store system. Every student of business appreciates that suggestion plays a very important part in the scheme of merchandizing. How many times have you gone shopping, with a single purchase in mind, and returned with a number of purchases? The commodity needed may have been coffee, but you found fresh fruit, cheese, or cookies so attractively displayed that your mouth watered for a taste of them. Consequently additional purchases were made. This merchandise may have been displayed in either the windows or in the interior of the store.

The windows, the more important of the two, are used, with the assistance of advertising, to draw the people into the store. They provide the first impression which the store makes upon the public. For this reason they must bespeak the character and policies of the men at the head of the establishment, as well as the quality and character of the merchandise to be seen in the interior of the store. These windows work both night and day, attracting the attention of old and new customers and sometimes creating a desire for the merchandise, thus performing the first two steps of the sale. They make it possible for the salespeople on the inside of the store to complete the sale with less effort.

The right buyer is an inspiration to the window-trimmer. In fact, they work together on an equality basis, each being capable of assisting the other. The buyer's sympathetic ear, together with his timely comments—most buyers having been through the mill and been advanced step by step—do much to develop a trimmer and to get the most out of his capabilities. Buyers have the opportunity of seeing the best displays the city stores have to offer, and these ideas, together with ideas for displaying the various kinds of merchandise purchased, may be imparted and used advantageously by the trimmer.

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The Trimmer. The window-trimmer, with the help of the buyer, is responsible for the success or failure of the windows. All stores, both large and small, should have someone in charge of the windows. The larger stores can afford a display-manager with a force of men who do nothing but the actual trimming of the windows, while the smaller store has usually only one man in charge of the displays. If this is not possible, the store should have at least a man who devotes part time and who receives extra pay for this work, as trimming-work must, as a rule, be done evenings after the store closes. As a rule, the trimmer is a very sensitive fellow who will work his head off if given the proper encouragement. A little flattery and encouragement when presenting new ideas, as much freedom of action as possible, and liberal payment for his services will do more to effect successful selling windows than anything else. The artistic touch is required of the trimmer. Some develop more rapidly than others, while a few seem to have inherited the art. Again, some men will never make good trimmers. The difference between the good and the poor trimmer is a difference of dollars and cents to the business. The good trimmer is an asset and not an expense, as some few merchants know very well.

Value of Windows. A small Kentucky grocery-store gauges its windows by the amount of merchandise the window sells, both direct and indirect. This store claims that on one particular Saturday the window sold \$90 worth of oranges at 60 cents a peck. Consequently, on this day the window was worth \$90. However, only \$5 was charged to the fruit department, that being the Saturday rate per window, and \$3 for week-days and Sunday. Some time later this same store made a strong run on peaches. They were advertised and displayed throughout the store, but no window was used, as the store was remodeling its front. To offset this, however, the entire front of the store remained

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open during the day. As a result only \$26 worth of the fruit was sold. This proved to this particular merchant the dollars-and-cents value of his windows, and showed conclusively that they actually brought buyers into the store.

The city department store, as well as all other systematized and properly managed stores, makes use of some such system as the following: A certain rental, gauged according to the size and location of the window, is charged to each department making use of the window space, this amount being credited to the window-trimming department to take care of the salaries of trimmers, cost of fixtures, etc. The exact amount charged may vary according to the size of the town or city, the clientele, and the character of merchandise handled. In a town of approximately twenty thousand population the rental should be about twenty cents per foot of frontage a day, and each foot should sell not less than three dollars' worth of merchandise, by both direct and indirect sales.

The actual results of a series of seven displays of various kinds of merchandise showed, for instance, that in a sale display of a commodity retailing at 98 cents, one window sold sixty-odd dollars during the first day. No advertising had been done to herald the sale, as it was strictly a window test. Of course, with windows planned mainly as artistic displays, and particularly at spring and fall openings the entire value lies in the indirect sales which will be brought about through the window.

Artistic Windows vs. Merchandizing Windows. The windows of the store were intended primarily for the exploitation of merchandise, the fundamental purpose being to attract attention to the merchandise shown and to assist in effecting a sale. Some thirty or forty years ago, Marshall Field & Co., in order to further the Field idea of merchandizing, began a system of artistic and spectacular window-trimming. This idea, in a much smaller way, was

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taken up by stores over the entire country, many losing sight of the fact that theirs was entirely a different type of store.

The larger New York City stores have been known to have curtains drawn on windows a full week, making preparations for opening windows. When the curtains are finally raised, beautiful windows, which attract much attention, are disclosed. In many cases, however, the backgrounds, fixtures, and general atmosphere overshadow the merchandise shown. Stores catering to the masses, as well as those catering to the most exclusive trade, have been guilty of this act. A question undecided is whether or not the little merchandise shown makes the display worth while. It is true that well-known authorities have agreed that artistic windows are permissible during fall or spring openings, but enough merchandise should always be shown so that the prospective customer can get the idea that the window was put in for the purpose of attracting attention to the merchandise.

Strictly merchandizing windows, although artistic and attractive in arrangement, should be featured at all times by the stores catering to the general public. This idea should also be uppermost in mind with those stores catering to the most exclusive trade. Customers, as a rule, are more interested in merchandise than in artistic displays.

Backgrounds. The background or setting is used to emphasize the merchandise. It should always be in harmony with the merchandise shown as well as with the proportions of the window in which it is placed, and it should be planned with the idea of contributing value to what is shown in connection with it. The height should be from six to ten feet, depending upon the height of the ceiling and the size of the window. High ceilings should always be used wherever possible. Very elaborate backgrounds frequently detract from the sale value of the displayed merchandise.

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There are three classes of backgrounds: permanent, temporary, and individual. The permanent background consists of hardwood, panel-wood, and mirrors. Hardwood and panel-wood are considered best. They frequently appeal strongly to the management on the score of readiness and economy, and they may also be covered readily for special displays. The colors and woods used are oak, natural and stained in dark brown, dark green, dark gray, and weathered oak; mahogany, walnut, cherry, maple, stained in light gray; and white enamel. Any of these may be finished in plain, mission, or colonial style.

Mirrored backgrounds have been used a great deal in the past, but many well-informed merchandizing men agree that they are undesirable. In using mirrors it is almost impossible to get the desired emphasis on any article. There is a conflict for the onlooker's attention between the merchandise shown and the reflections from passing people and objects which appear in the mirror.

Temporary backgrounds may be covered with any fabric from burlap to velvet, pleated and puffed cheese-cloth and tarlatan, cotton flannel, serpentine crêpe, silk, satin, plush, velours, scenic effects on sized canvas, or domestic masonry effects, latticework, etc. It may be either a painted scene, an imitation of nature, or an ordinary covering for the back of the window. White goods require a dark backing, and dark goods require a light background. Of course there are exceptions. Pure white goods are often shown very effectively with an ivory or a delicately tinted background.

Individual backgrounds are special backgrounds required for special occasions—a certain type of background which is required to bring out the desirable points and uses of the merchandise.

Floorings. The floor of the window should be about fifteen inches above the level of the sidewalk, and should

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correspond to the background and the display. They may be classed and treated just as backgrounds—namely, permanent, temporary, and individual.

Amount of Merchandise to Be Shown. One of the most interesting and puzzling subjects in window-trimming is the amount of merchandise which should be shown in a window. Every store, both large and small, seems to take a most definite stand with regard to the subject. One makes a practice of showing the least possible amount of merchandise, advocating that the entire attention of the passers-by will be held and that the pedestrians will be enabled to take in the entire window at a glance. When the clientele of the store is better appealed to by such a display it undoubtedly proves effective, but in most cases it is a useless waste of window space.

A second type of store makes a practice of showing only decorative windows. The backgrounds are the most artistic to be had, and only the higher-class merchandise is shown. A display of this sort can be used very advantageously during the spring and fall openings, and then only for a few days. Critics contend that the decorations overshadow the merchandise.

A third store makes a practice of showing all the merchandise it is possible to crowd into the window. In fact, many stores of this class have two-thirds of their stock in the window. The result is that the entire display presents a jumbled mass, totally lacking in character and effectiveness. There is so much merchandise displayed that no attention can be given to any particular object. The idea of the display is, of course, to convey the idea to the prospective customer that a varied selection and an unlimited amount of stock are obtainable. This type of display is a much poorer form of merchandizing than that of the first store described, and is fortunately becoming more rare each year.

RETAIL BUYING

The fourth type of store uses ideal merchandizing methods. This ideal is the "happy medium" of the first two types of displays mentioned. Clean, neat displays, with just enough fresh, crisp merchandise to allow the passers-by to take it in while passing, are shown. The idea is to make more frequent changes and get the public into the habit of looking for the newer goods. Such a type of window display will sell more merchandise than all of the others put together, and is much more attractive from a business standpoint.

However, after all, most stores use those methods preferred by their responsible officials, who are governed by their personal opinions. These officials may be totally lacking in experience and have absolutely no knowledge of what type of windows are best suited to the needs of the store, but, nevertheless, whatever they dictate is carried into effect.

Purpose of the Display. Each display should have a real purpose which suggests an idea to the one who is viewing the display. For example, in the showing of a traveling-bag, traveling accessories and articles usually carried when traveling should be shown. Every one likes to travel. Consequently, all passers-by will give their attention to the display. The traveling-bag, with its artistically arranged group of shirts, pajamas, socks, and the like, brings to the mind of the prospect the desire for some of the articles shown. The display points out that they would be needed on the anticipated trip.

Good merchandizers can well make one commodity suggest the sale of another. In fact, some cases develop in the sale of complete outfits. All persons have that desire to possess. Clever salesmanship exhibited either by salespeople or in the displaying of merchandise does much to bring out this instinct.

Selection of Merchandise to Be Shown. There are, however, certain kinds of merchandise which cannot be shown together. For instance, imagine a saw being shown with a

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head of cabbage, lard with candy, garden tools with party dresses, or heavy canvas with delicate chiffons. Cabbage would go well with other fresh vegetables, lard would increase the value of a display of flour, meats, or other fats. Garden tools would suggest the sale of lawn furniture, garden seed, and flower-pots. Party dresses would suggest silk hosiery, gloves, head-dressings, evening slippers, and opera coats. In fact, any commodity can be displayed well with another, provided they are used together, of the same class, one suggesting the use of the other.

Color Harmony. In executing a trim, coloring is one of the principal subjects to be considered. Any person is capable of piling a jumbled mass of colors into a window, with one killing the other. But an expert is required to trim a window so that each color stands out, one helping to bring out the other, and all blending together into a harmonious whole. The principles applied by the painter when painting a picture are used by the skilled window-trimmer. Each piece used is handled as a part of the whole scheme. There must be something which binds each decorative unit into a systematic whole.

It is said that nature suggests excellent color combinations and contrasts. For example, a border of the green of the apple and peach will add materially to the appearance of the display. Spring calls for the cooler colors—white, black, gray, lavender, blue, etc.; while the fall and winter seasons require the warmer colors—brown, red, cream, yellow, etc.

The following chart and color effects have been arranged with the idea of aiding the trimmer in making combinations.

COLOR COMBINATIONS

Gray Display—

Pale blue, laurel green, heliotrope, old rose, pale green, orange, pink, wistaria, apricot, raspberry, and all shades of yellow.

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Brown Display—

Cream, corn color, light yellow, ivory, maize, dark yellow, burnt orange, straw, champagne, peach, muskmelon, apricot, salmon pink, lemon, green, apple green, coral, old rose, heliotrope, amber, amethyst, emerald, topaz, turquoise, and any shade from cream to burnt orange.

Moss-Green Display—

Pale green, sulphur, pale pink, apricot, pale blue, heliotrope, old rose, salmon pink, black-and-white novelties, any of the jewel series (which are amber, amethyst, emerald, coral, turquoise, and topaz), any shade from cream to burnt orange, and any shade from champagne to muskmelon.

Navy-Blue Display --

Bright red, old rose, Nile green, pale blue, white, cream, ivory, pale yellow, light yellow, orange, burnt orange, black-and-white novelties, any shade from cream to burnt orange, and any shade from champagne to muskmelon.

Red Display—

Red in combinations of two or three different shades, white, cream, black, gold, silver, yellow, dark green, violet, chestnut, gray, pink, purple, copper, and russet.

Purple Display-

Purple in combinations of two or three different shades, white, cream, gold, orange, dark red, and dark green.

Black Display- -

Yellow, pale blue, apricot, emerald, raspberry, turquoise, heliotrope, orange, gray, gold, brown, red, chestnut, copper, and olive green.

Tan Display—

Salmon pink, pale blue, pale green, apple green, light green, old rose, heliotrope, white, lavender, yellow, turquoise, and dash of black.

Pink Display—

White, yellow, light blue, tan, brown, Nile green, lavender, citron, gray, purple, and dark red.

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CHART OF COLOR CONTRASTS

	BLUE	BROWN	CERISE	COPERNICAN	GREEN	HELIOTROPE	MAROON	MYRTLE	NAVY	NILE	OLIVE	ORANGE	PALE BLUE	PINK	PURPLE	RED	SCARLET	TAN	VIOLET	WINE	YELLOW
BLUE	2	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
BROWN	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2
CERISE	1	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2
COPERNICAN	1	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3
GREEN	1	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3
HELIOTROPE	1	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3
MAROON	1	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3
MYRTLE	1	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3
NAVY	1	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3
NILE	1	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3
OLIVE	1	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3
ORANGE	1	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3
PALE BLUE	1	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3
PINK	1	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3
PURPLE	1	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3
RED	1	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3
SCARLET	1	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3
TAN	1	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3
VIOLET	1	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3
WINE	1	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3
YELLOW	1	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3

1 Good
2 Fair
3 Passable but not recommended
4 Temporary use
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RETAIL BUYING

Yellow Display—

White, light blue, violet, pink, buff, Copenhagen, dove, gray, copper, brown, dark purple, dark green, red, chestnut, and black.

Orange Display—

White, gray, blue, olive, russet, purple, red, maroon, green, and black.

Olive Display—

White, blue, orange, green, red, and black.

Violet Display—

Purple, red, buff, yellow, white, blue, dark green, and black.

White Display—

Dove, gold, drab, buff, pea green, yellow, pink, orange, and blue.

Light-Blue Display—

Light green, pink, gray, golden brown, dark orange, and black.

Buff Display—

White, clay, yellow, orange, violet, brown, and red.

Russet Display—

White, yellow, violet, orange, red, and brown.

Maroon Display—

Orange and brown.

Chestnut Display—

Yellow, red, and black.

Chocolate Display—

Black, red, and all shades of brown.

Citron Display—

White, buff, yellow, and orange.

Copper Display—

Yellow, red, and black.

Drab Display—

White, yellow, red, and black.

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Dove Display—

White, yellow, vermillion, and blue.

Lavender Display—

Tan, gray, and purple.

COLOR EFFECTS

Place light colors at the back of the window, and dark colors at the front.

Bright and loud colors should be separated from one another by a neutral color.

Neutral colors are white, cream, light tan, gray, moss green, and black.

TWO-COLOR COMBINATIONS FOR RIBBONS

Pink and heliotrope.
Pale blue and pale green.
Salmon pink and brown.
Pale blue and dark blue.
Violet and purple
Pale pink and pale blue.
Champagne and muskmelon.
Pale pink and pale yellow.
Yellow and orange.
Rusty brown and apricot.
Heliotrope and plum.
Old rose and pale gray.
Pale blue and heliotrope.
Pale blue and lavender.
Any one color in two shades.

THREE-COLOR COMBINATIONS FOR RIBBONS

Champagne, apricot, and rusty brown.
Pale pink, pale blue, and pale green.
Pale yellow, pale green, and pale blue.
Light yellow, cream, and orange.
Salmon pink, apricot, and muskmelon.
Old rose, heliotrope, and pale blue.

RETAIL BUYING

Pale pink, heliotrope, and pale blue.

Pale blue, green, and heliotrope.

Any one color in three shades. Gold, silver, and black will harmonize with any color or combination of colors.

Time. Displays are usually regulated according to seasons or the demand for merchandise. As a rule, there is a time to show all classes of merchandise, and when this time is past no amount of beautiful displays or price-cutting will move it. During the fall of 1916 a large store made a clever buy consisting of five gross of mince-meat choppers. A large window was used to display the commodity. Well-worded cards were used, together with a fair amount of newspaper space, to advertise the special price. The display was left in the window four days, and but two of the choppers sold. After returning the goods to its proper department, samples were ordered left on the counter, so that there could be no chance of a customer going without one had she intended making the purchase. Four weeks later, six days before Thanksgiving, the choppers began selling, and during the following three weeks practically all were sold. The display had been made out of season, and as a result the merchandise did not sell when displayed or advertised. It was fortunate, of course, that the showing was just before Thanksgiving instead of just after Christmas, because in that case the goods would no doubt have been carried over into the next season.

For the benefit of those concerned the following chart has been prepared:

- January. January clearance sale.
 January white-goods sale.
 (Push ready-to-wear and work sales for all they will produce.)
- February. Valentine's Day (February 14th).
 Washington's Birthday (February 22d).
 (Make preparations for the showing of spring merchandise.)

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- March.** St. Patrick's Day.
Spring opening (March 15th, or about three weeks before Easter).
- April.** Easter.
First spring clearance sales.
(Introduce garden and lawn commodities, household goods, etc.)
- May.** May Day (May 1st).
Memorial Day (May 30th).
(Furniture, upholstery, glassware, and sporting goods are in active demand. Summer goods need encouragement.)
- June.** Graduation.
June weddings.
June white sales (push summer goods)
- July.** July 4th.
Hot-weather sales.
(Trunks, bags, and traveling accessories need attention. Summer reduction sales begin.)
- August.** Vacation sale.
Traveler's sale.
(Summer sales are in order. Prepare for fall goods, introduce novelties.)
- September.** Fall opening (September 15th to 30th)
Labor Day.
(Specialize on children's goods for school. Ready-to-wear and millinery need much attention. Hammer housefurnishings.)
- October.** Hallowe'en.
Harvest sales.
(Work piece-goods department. Keep ready-to-wear to the front.)
- November.** Thank-giving (last Thursday in month)
(Introduce holiday goods. Give china-ware, linens, and cutlery preference.)
- December.** Christmas.
New Year's.
(Give holiday goods full swing. Push hosiery, neckwear, and handkerchiefs. Highlight on expensive furs and ready-to-wear goods)

RETAIL BUYING

In villages and small cities, during the afternoon, the streets are crowded with busy shoppers who are anxiously taking in all the windows in hope of finding just what they need. The evening is given over to strolling and sight-seeing. Every one likes to wander around, looking into every shop window, taking in all the new things. For these reasons no window should be dark during the afternoon or evening. All trimming should be done in the early forenoon. A trimmer can work at greater ease at that time, because there are fewer opportunities for interruption and there is less likelihood of losing business because of drawn shades.

Fixtures. Modern display fixtures are equally as important as up-to-date selling equipment in the store. No one denies that proper equipment in the store means economy, for it helps the salespeople to serve more trade in a given time, and at the same time gives the customer more time to spend looking over the various stocks of the store. No merchant cares, however, to be continually spending money for fixtures. By purchasing standard fixtures at the beginning, and taking proper care of them as well as allowing a small amount each year for the purchase of additional equipment, a full supply of the best fixtures will continually be on hand. Many trimmers have original ideas with regard to certain kinds of fixtures which will produce best results. It is also possible to copy in the workshop many of the new-fad fixtures at a very small cost.

Interior Displays. The windows having been filled with attractively displayed merchandise, the idea being to get the customer into the store, it is absolutely essential to back them up with good interior displays to assist the salespeople in making sales. Requirements for displays do not call for the mere placing of merchandise on counters, or in display-cases, without consideration of their arrangement. Well-

CO-OPERATION IN ADVERTISING AND DISPLAYS

planned and executed displays are essential to modern merchandizing methods.

Special displays should be made to meet each store festival. These displays are equally as essential as a new dress is to the blossoming *débutante*. The display should be carried out in keeping with the season and in harmony with the window displays. Numerous clever and catchy ideas which will attract attention may be carried out advantageously. For example, one store added to Christmas decorations of holly, cedar, and redwood rope by having hundreds of red cardboard birds hanging from the ceiling by silk threads as though flying through the air. The novelty of such ideas, as well as the low cost of executing, makes them worth while.

Show-cards. The show-card is the silent salesman which announces to the public or directs their attention to the merchandise shown. It is necessary to every window as well as to every display in the interior of the store. The card aids by suggestive selling appeal. It saves time for both the customer and the salesperson, and reduces the opportunity for mistakes by announcing the sale price. The more carefully it is made, and neater the card, the better it makes the goods look in the eyes of the customer.

Whether or not the price is to be shown on the window-card must be determined by the character of the store and the type of the clientele. The price-card would be a detriment in the window, during regular season, of an exclusive store catering to the élite; while the window of the downtown store, catering to the working-girls' trade, would not be complete unless the price-cards were in a most conspicuous position. As a general thing, windows, other than special-sale windows and windows of stores catering to people who deem price more essential than quality, should not have price-cards. Style and quality are to be emphasized in the display in order to attract enough attention to cause the

RETAIL BUYING

customer to come into the store to investigate. After the customer reaches the department and sees the commodity, and the salesperson has the opportunity of talking its good points, the price is given. Should the price of the article be too high, the salesperson has the opportunity of showing something else. Prices should always be shown in special-sale windows, regardless of the kind of store.



XV

THE BUYER AS A MERCHANT

The Four Functions of the Buyer as a Merchant. The word "buyer" is an unfortunate one in many respects. Even department-manager isn't much better, for it doesn't signify all the position requires, and names have a psychological effect. If a man is known as a buyer, he is likely to feel his job is buying only and that he must buy, buy, buy. As a matter of fact, the job has three functions: to buy, to sell, and to make a satisfactory profit. The training and title of the average buyer place undue emphasis upon the first of these primary functions, the selection of merchandise, and depreciate the remaining equally important duties.

Now, if the buyer is to accomplish these three functions he must be a full-fledged merchant; for, after all, that is all the merchant does. He buys and sells merchandise so as to make a satisfactory profit, and he manipulates his stocks so as to secure the proper number of turnovers and leave the stock in good clean condition at the end of the season. The merchant is a constructionist; the buyer is an opportunist. The trouble with many mercantile concerns, both wholesale and retail, is that they have too many buyers and too few merchants.

The real buyer must know:

1. How to sell goods himself.
2. How to handle people.
3. How to plan his merchandizing.
4. How to buy.

RETAIL BUYING

The Buyer as a Salesman. The buyer must have come up through the sales force if he is to be able to direct the sales activities of a department. No man can tell some one else how to do a thing which he has not already done himself. That's the reason that in all successful retail houses the officers are recruited from the men who have come up through the ranks. It isn't simply because they have borne the heat of the day and deserve the reward. It is mainly due to the fact that experience is a necessary qualification to success in the higher positions. And in no work is it so essential as in that of retailing, nor is there any line in which there is so little favoritism to relatives and so much reward for ability and experience as in retail merchandizing. You have to earn the job before you can earn the boss's daughter.

The Buyer as a Sales-manager. The second qualification is the ability to handle salespeople; for in most stores, even those having aisle-managers or floor-walkers, the greater part of the supervision of the sales force falls on the buyers. The buyer is really a sales-manager of his department, and as such must be able to teach and to lead his salespeople. There are some people in this world who have natural teaching ability. They seem to be born with a knack for explaining in a way to be really helpful.

The Buyer as a Merchandizer. Next, the buyer must be able to merchandise according to plan. Every kind of business to-day is run by budget based upon a complete knowledge of all the factors. Retailers of the intensive type, such as chain stores and mail-order houses, invented the "merchandise plan." Others are gradually adopting it in spite of those who maintain it can't be done. Past performances serve as a good check, but do not serve as a fundamental basis, especially in such periods as we have had recently. Even an average experience of the past five or ten years is

THE BUYER AS A MERCHANT

not a fundamental basis. Nor does it bring out the best in merchants. It leads either to complacency because of the ease with which a previous record can be beaten or resignation because conditions have changed so that the previous record cannot be maintained.

Merchandizing according to plan is correct because it is based on fundamental factors. It is merchandizing based on what the business of the house should be in quality, amount, and price-ranges rather than entirely on what it was the preceding year.

Many retailers merchandize according to plan without realizing it, though perhaps not so accurately. One obstacle is that many do not understand the fundamental principles of pricing as affected by the net cost of merchandise, the conditions of competition, the turnover possibility, and the gross and maintained mark-up. Of course this is an integral element in the merchandise plan, for volume depends largely on price. In such cases it is the duty of the retailer himself, or of his merchandise-manager, if he has one, to train his buyers in connection with the development of a merchandise plan for each department, so that they understand all the elements affecting price, and so that they can handle them in relative proportions, for every change in mark-up has a corresponding effect on turnover, and it is sometimes a difficult problem to balance all the elements so as to bring about the best net results for the house and for the retailer. Always in this connection it must be remembered that whatever is to the ultimate advantage of the consumer is likewise to the ultimate advantage of the retailer. So here are more elements to consider.

The Buyer as a Buyer. Finally, the buyer must be a good judge of merchandise. In an address before the retail merchandise managers who are members of the National Retail Dry Goods Association, in October, 1916, Mr. Lew

RETAIL BUYING

Hahn, editor of *Women's Wear*, gave the three qualifications of good buying as follows:

"Be fair; be courteous; be watchful. In any line of business it does not pay in the long run to resort to sharp practices, nor to be domineering and discourteous, and many retail buyers, who have not been mindful of this in the past, are now realizing it in this day of the sellers' market. A buyer can be watchful of the interests of his department and his house and still be fair and courteous."

In the final analysis the qualities which go to make for success in the buyer or department-manager are common to all business. Take, for instance, sincerity. We all admire the man who looks us squarely in the eye, who believes sincerely in himself, his house, and his goods, and who is a red-blooded human being at the same time. Then there is the willingness to work hard. Any man who isn't willing to do the work his job calls for, whether it requires eight hours a day or sixteen, will fail in spite of any ability he may have. But that necessitates that he shall work advantageously and economically. Too many buyers spend half their time doing work which an eight-dollar boy could do as well, and as a result have little time for planning. They are doing a lot of cheap work rather than a lot of work cheaply.

All of this discussion leads back to the original statement—that the function of a buyer as a merchant is to buy merchandise according to a merchandise plan, to sell so as to make a satisfactory profit, and to manipulate his purchases so as to secure the proper number of turnovers and leave his stock in good condition at the end of the season. This is a big job for any man, for merchandizing is a life's work, and it calls for the best efforts of a real merchant. Such a man is the ideal buyer.



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